

SERVICES AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 2026, 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 Provost & Pritchard Consulting Group, a California Corporation, whose address of record is 455 W Fir Ave, Clovis CA 93611, (hereinafter referred to as "Contractor").

WHEREAS, City is undertaking a project to conduct remediation and is seeking consultant assistance; and,

WHEREAS, Contractor represents that it possesses the professional skills to provide consulting 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 Contractor shall furnish the following services: Contractor shall provide the services described in Exhibit "A" attached hereto.

No additional services shall be performed by Contractor 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 Executive Director or designee. However, the means by which the work is accomplished shall be the sole responsibility of the Contractor.

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 Contractor may change the requirements in said Schedule.

3. **TERM OF AGREEMENT.** The term of this Agreement shall commence upon the day first above written and end on June 30, 2027.

4. **COMPENSATION.** Payment by the City to the Contractor for actual services rendered under this Agreement shall be made upon presentation of an

invoice detailing services performed under the Scope of Services, in accordance with the fee schedule set forth in Exhibit "A" attached hereto and incorporated herein by reference. The Contractor agrees to provide all services required under the Scope of Services in Exhibit "A" within the compensation amount set forth in Exhibit "A". For Contractor's services rendered under this Agreement, City shall pay Contractor the not to exceed sum of six hundred twenty-nine thousand dollars (\$629,000).

5. **METHOD OF PAYMENT.** Compensation to Contractor shall be paid by the City after submission by Contractor 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 Contractor relating to the matters covered by this Agreement shall be the property of the City, and Contractor 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. **CONTRACTOR'S BOOKS AND RECORDS.** Contractor 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 Contractor 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 Contractor is an independent contractor and that its employees shall not be employees of or have any contractual relationship with the City. Contractor shall be responsible for the payment of all taxes, workers' compensation insurance and unemployment insurance. Should Contractor desire any insurance protection, the Contractor is to acquire same at its expense.

In the event Contractor or any employee, agent, or subcontractor of Contractor 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, Contractor 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 Contractor 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.** Contractor 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 Contractor or Contractor's officers, employees, volunteers, and agents during performance of this Agreement; Contractor shall indemnify, protect, defend (with 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 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 Contractor or its employees, subcontractors, or agents, or by the quality or character of Contractor's work. It is understood that the duty of Contractor 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 Contractor 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, Contractor 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, Contractor shall maintain in full force and effect at its own cost and expense, the following insurance coverage:

a. **Workers' Compensation Insurance.** Full workers' compensation insurance shall be provided with a limit of at least One Hundred Thousand Dollars (\$100,000) for any one person and as required by law, including Employer's Liability limits of \$1,000,000.00 per accident. The policy shall be endorsed to waive the insurer's subrogation rights against the City.

b. General Liability.

- (i) Contractor 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) Contractor 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 Contractor.
- (iv) The policy shall stipulate that this insurance will operate as primary insurance for work performed by Contractor 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) Contractor 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) Contractor 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 Contractor.

- (iii) The policy shall stipulate that this insurance will operate as primary insurance for work performed by Contractor 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. Contractor shall carry professional liability insurance appropriate to Contractor'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. Cyber Liability Insurance. Consultant shall obtain and maintain Cyber Liability insurance in a minimum amount of One Million Dollars (\$1,000,000) per occurrence or claim, One Million Dollars (\$1,000,000) aggregate.

Coverage shall be sufficiently broad to respond to the duties and obligations as are undertaken by Consultant in this Agreement and shall include, but not be limited to, claims involving infringement of intellectual property, including, but not limited to, infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information or personally identifiable information (PII), alteration of electronic information, extortion, and network security. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties and credit monitoring expenses with limits sufficient to respond to these obligations. Cyber Liability insurance must be maintained, and evidence of insurance shall be provided to CITY for at least two (2) years after completion of work under this Agreement.

f. 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).

g. Certificate of Insurance. Contractor 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. In addition to any other remedies City may have, City reserves the right to withhold payment if Contractor's insurance policies are not current.

11. PREVAILING WAGES.

A. Labor Code Compliance. If the work performed under this Agreement falls within Labor Code Section 1720(a)(1) definition of a "public works" the Contractor agrees to comply with all of the applicable provisions of the Labor Code including, those provisions requiring the payment of not less than the general prevailing rate of wages. The Contractor further agrees to the penalties and forfeitures provided in said Code in the event a violation of any of the provisions occurs in the execution of this Agreement.

B. These wage rate determinations are made a specific part of this Agreement by reference pursuant to Labor Code Section 1773.2. General Prevailing Wage Rate Determinations may be obtained from the Department of Industrial Relations Internet site at <http://www.dir.ca.gov/>.

C. After award of the Agreement, and prior to commencing work, all applicable General Prevailing Wage Rate Determinations, if applicable, are to be obtained by the Contractor from the Department of Industrial Relations. These wage rate determinations are to be posted by the Contractor at the job site in accordance with Section 1773.2 of the California Labor Code.

D. Contractor agrees to include prevailing wage requirements, if applicable, in all subcontracts when the work to be performed by the subcontractor under this Agreement is a "public works" as defined in Labor Code Section 1720(a)(1) and Labor Code Section 1771.

12. NOTICES. Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by: (i) personal service, (ii) delivery by a reputable document delivery service, such as, but not limited to, Federal Express, that provides a receipt showing date and time

of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by Notice. Notice shall be effective upon delivery to the addresses specified below or on the third business day following deposit with the document delivery service or United States Mail as provided above.

To City: City of Merced
678 West 18th Street
Merced, California 95340
Attention: City Manager

To Contractor: Provost and Pritchard
455 W. Fir Ave
Clovis, Ca 93611
Attention:

13. **ASSIGNABILITY OF AGREEMENT.** It is understood and agreed that this Agreement contemplates personal performance by the Contractor 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 Contractor under this Agreement will be permitted only with the express written consent of the City.

14. **TERMINATION FOR CONVENIENCE OF CITY.** The City may terminate this Agreement any time by mailing a notice in writing to Contractor that the Agreement is terminated. Said Agreement shall then be deemed terminated, and no further work shall be performed by Contractor. If the Agreement is so terminated, the Contractor 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.

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

Contractor 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 Contractor 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, Contractor 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.

16. **WAIVER.** In the event that either City or Contractor 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.

17. **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.

18. **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.

19. **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.

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

21. 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.

22. 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.

23. 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.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first above written.

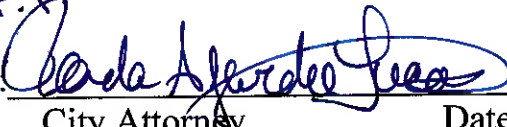
CITY OF MERCED
A California Charter Municipal
Corporation

BY: _____
D. Scott McBride
City Manager

ATTEST:
D. SCOTT MCBRIDE, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

APPROVED AS TO FORM:
CRAIG J. CORNWELL, CITY ATTORNEY

P.B.
BY:  01/14/2026
City Attorney Date
Chief Deputy City Attorney

ACCOUNT DATA:
M. VENUS RODRIGUEZ, FINANCE OFFICER

BY: _____
Verified by Finance Officer

{Signatures continued on next page}

CONTRACTOR

BY: _____
(Signature)

(Typed Name)

Its: _____
(Title)

BY: _____
(Signature)

(Typed Name)

Its: _____
(Title)

Taxpayer I.D. No. _____

ADDRESS:

TELEPHONE: _____

FAX: _____

E-MAIL:

PROVOST&PRITCHARD CONSULTING GROUP

455 W Fir Ave • Clovis, CA 93611 • (559) 449-2700
www.provostandpritchard.com

November 25, 2025
Mr. Frank Quintero
Ms. Amanda Willimas
Successor Agency to the Redevelopment Agency of the City of Merced
678 W 18th Street
Merced, CA, 95340

Subject: R Street TPH, Free Product Gasoline - Removal System, Operation & Maintenance of Air Sparge System near Monitoring Well 6AR for the ROPS period July 1, 2026, to June 30, 2027.

Dear Mr. Frank Quintero:

Thank you for the opportunity to submit this scope of services and fee for continued services on the R Street TPH project. This proposal discusses our understanding of the project, recommends a scope of services together with associated fees for the ROPS period July 1, 2026, to June 30, 2027.

PROJECT UPDATE

This scope and fee estimate addresses the additional work necessary to continue free product gasoline removal, also known as Low Density Non- Aquis liquid (LNALP), and the operation the of air sparge system to reduce residual MTBE and other compounds associated with gasoline present in groundwater in the area generally near monitoring wells 6RA located in southwest corner of R and 16th Street. This work is being conducted under the direction of the Regional Water Quality Control Boad (RWQCB) as a leaky gasoline storage tank project.

Free product/ LNAPL was detected by Provost and Pritchard staff during routine monitoring, in September 2023, and partially assessed in August 2024 and late October 2024. The Free product is present in groundwater as a result of the historic gasoline release from the gasoline stations located at the former Exxon and Pacific Pride UST stations in the 1980's. The stations are located at 1415 and 1455 R Street, Merced, CA.

The city of Merced the Redevelopment Agency originally began this project to provide potential access to revitalized site along R Street to spur renewed development in the 1990's. In 2012 the Governor of California dissolved redevelopment agencies statewide. At that time Kosmont Company was retained by the State of California's Department of Finance (FDA) to manage this project acting as the Designated Local Authority's (DLA) real-estate management team, among other projects and real estate transactions, because of AB 26. As of late September of 2023, the DLA program was beginning to sunset, and the City of Merced took the project back over as the Successor Agency to the Redevelopment Agency of the City of Merced. Provost & Pritchard has been the project consultant for the city and the DLA since 2007.

Costs to conduct the required and anticipated work are allocated through the State using a Recognized Obligation Payment Schedule (ROPS) process. The included scope and fee estimated are based on recent

[https://us-partner-integrations.egnyte.com/msoffice/wopi/files/a68d64b0-1465-4168-81c2-2d2935ca126c/WOPIServiceld_TP_EGNYTE_PLUS/WOPIUserid_42.ppeng.egnyte.com/2025 11 21 Successor Agency Proposal Free Product Removal ROPS 07 01 26 to 06 01 27.docx](https://us-partner-integrations.egnyte.com/msoffice/wopi/files/a68d64b0-1465-4168-81c2-2d2935ca126c/WOPIServiceld_TP_EGNYTE_PLUS/WOPIUserid_42.ppeng.egnyte.com/2025%2011%2021%20Successor%20Agency%20Proposal%20Free%20Product%20Removal%20ROPS%2007%2001%2026%20to%2006%2011%2027.docx)

Engineering • Structural • Geosstructural • Surveying • Planning • Environmental • GIS • Construction Services • Hydrogeology • Consulting
Clovis • Visalia • Bakersfield • Modesto • Los Banos • Chico • Sacramento • Sonora • San Luis Obispo • Boise, ID

EXHIBIT A

requirements from the Regional Water Quality Control Board's (RWQCB) to design and conduct the removal of the free / LNAPL then start up the air sparge system to reduce, though a form of enhance natural biological degradation and attenuation of residual concentrations of MTBE and associated gasoline compound.

PHASE I /II AND INITIAL FREE PRODUCT REMOVAL SUMMARY

Phase I and II of the Cone Penetrometer/ Ultra Violet Optical Screening Toll (CPT/UVOST) activities were completed in August and December. The results of this phase of work were reported they the Successor Agency and the RQWCB in September 2024.

In summary,

- Phase 1 - High Resolution Site Characterization (HRSC) with direct push test holes using CPT paired with UVOST in up to 7 initial proposed locations. Six (6) out of seven (7) advancements were completed in August 2024.
- In October 2024 access was requested and was denied by local landowners for the placement of LNALP recovery system and a storage tank. Mr. Rodney Lee Brawley, owner of APN 031-172-006-00 on the Southeast corner of R and 16th Street DENIED and access for any purpose in writing.
- Mr. Delatorre, owner of Victoria's Restaurant, and location of the groundwater sparge system denied access for the additional product equipment due to perceived safety and liability reasons
- Phase 2 – Additional HRSC direct push test holes to complete characterization with location based on results of Phase 1. The second set of six (6) advancements were completed in December of 2024 and reported in March 2025.
- TPHg, MTBE, TBA, naphthalene were detected at elevated concentrations with TPHg. Detected at sufficient contraction to indicated free product /DNAPL.
- The results of the HRSC were used to select the locations of 3 monitoring and product extraction wells.
- Free project monitoring and removal wells EXT- 1, EXT-2, EXT-3 were installed, two in R Street and one was installed in the "Costco parking lot" in July of 2025.
- In August of 2025 Hydrocarbon sorbent socks were instead in each of the new wells to begin removal of LNAPL. As of November 2025, we have removed 6.9 pounds of hydrocarbons and no significant LNAPL has been measured in 6AR or the other wells since September 2025.

SCOPE OF SERVICES FOR WORK TO BE COMPLETED IN ROPS 2026-2027.

Once the free product /LNAPL is removed from groundwater the sparge area near monitoring well 6-AR the sparge system will begin operation in accordance with the January 25, 2022 *Installation and operation of limited in-situ Groundwater Sparging System Near Groundwater Monitoring well MW-6C Workplan* and associated comments and responses. The following work tasks induced in ROPS period 2026-2027:

- Installation and removals of hydrocarbon absorbing socks in wells MW-6AR, EXT -1, EXT-2 and EXT-3 on a rolling 3-to-4-week timeline depending on volume of Free Product /LNALP removed in the prior removal period. We anticipated that the use of the absorbent socks will continue until February 2026.

- Start up and operation of the air sparge unit with two (2) sparge points for up to 1 year, beginning in February 2026.
- Continue with routine monitoring, schedule and budget control, and correspond and report preparation (PM) to the RWQCB
- Groundwater monitoring in each of the existing monitoring and EXT wells on a quarterly basis.
- If appropriate request preliminary site closure activities in May to June 2026 and continue into ROPS period July 1, 2027- June 30, 2028.

PROFESSIONAL FEES

Provost & Pritchard Consulting Group will perform the services in this Phase on a time and materials basis, in accordance with our 2026 Fee Schedule. These fees will be invoiced monthly as they are accrued, and our total fees and reimbursable expenses will not exceed our estimate of \$ 629,000 for the ROPS amended 2026-2027 (July 1, 2026-June 30, 2027) without additional authorization as detailed below.

ESTIMATED FEE – FREE PRODUCT REMOVAL	
PHASE	ESTIMATED FEE
Work plans, Health and Safety plans, Traffic control plans, permitting and RWQCB responses	25,000
<ul style="list-style-type: none"> • Continue to use Hydrocarbon Absorbent Socks until no measurable LNAPL is present for three changes outs or 12 weeks. Includes recovered product absorbent sock disposal. • Operated product recovery system for 6 months if off-site access is granted.. • Operate air sparge system for up to 12 months (1yr), or until the concentration of MTBE and other associate compounds are below the low threat concentrations as issued by the RWQCB. • Private land usage reimbursement (Victoria's Restaurant), increased to \$350/moth for this ROPS period and up to \$500/ month if additional access is grant for product removal equipment. 	\$236,000
Reporting (quarterly reporting)	\$85,000
Initial Project close out (sparge system removal, traffic control, 2 monitoring well destructions)	190,000
Project Management	93,000
Total Estimated Fee:	\$629,000**

*The line items shown above are estimates and are not intended to limit billings for any given Task. Required task effort may vary up or down from the line-item estimates shown, however total billings will not exceed the total shown without additional authorization. If the scope changes materially from that described above, as a result of any agency's decision, we will prepare a revised estimate of our fees for your approval for the next ROPS period.

** The unused budget from ROPS 2025- 2026 will be zeroed out by Provost and Pritchard on August 1st, 2026 and a new budget task for this amount will be initiated.

ASSUMPTIONS

- Successor Agency to the Redevelopment Agency of the City of Merced will waive cost of encroachment permits traffic control plan approvals.
- Successor Agency to the Redevelopment Agency of the City of Merced will assist Provost & Pritchard with private property access as needed.
- No further requests that would affect budget are forthcoming from the RWQCB during the ROPS period.

Sincerely Yours,
Provost & Pritchard Consulting Group

David Norman
Director of Operations