



PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement ("**Agreement**") is effective as of the date of the Mayor's signature below and is between the City of Everett, a Washington municipal corporation (*the "City"*), and the Service Provider identified in the Basic Provisions below ("**Service Provider**"). This Agreement is for the purpose of the Service Provider providing services to the City as set forth in the Agreement. This Agreement includes and incorporates the Basic Provisions, the attached General Provisions, the attached scope of work (Exhibit A), and the attached method of compensation (Exhibit B).

BASIC PROVISIONS	
Service Provider	HDR Engineering, Inc.
	555 110th Ave, Suite 1200 Bellevue, WA 98004
	shawn.koorn@hdrinc.com
City Project Manager	Shaun Bridge
	City of Everett – Public Works 3200 Cedar Street Everett, WA 98201
	sbridge@everettwa.gov
Brief Summary of Scope of Work	Stormwater Impervious Surface Study
Completion Date	December 31, 2027
Maximum Compensation Amount	\$132,595

BASIC PROVISIONS	
Service Provider Insurance Contact Information	Lockton Companies
	(816) 960-9000
	kcasu@lockton.com
State Retirement Systems (must answer both questions)	<p>Does Service Provider have 25 or more employees?</p> <p>Answer: Yes</p> <p>If Service Provider has less than 25 employees, did any Service Provider Personnel who will work under this Professional Services Agreement retire under a DRS retirement system?</p> <p>Answer: N/A - Service Provider has 25 or more employees</p> <p>“DRS retirement system” refers to any of the following Public Employers’ Retirement System (PERS), School Employees’ Retirement System (SERS), Teachers’ Retirement System (TRS), and Law Enforcement Officers and Fire Fighters plan (LEOFF).</p> <p>“Service Provider Personnel” includes Service Provider employees and owners (such as shareholders, partners or members). If Service Provider is a sole proprietor, then “Service Provider Personnel” refers to the sole proprietor.</p>
Agreed Amendments to General Provisions	<p>The attached General Provisions are amended as follows:</p> <p>The following is inserted after the first sentence of <u>Section 2</u>: “Any reuse by the City of these reports, drawings, plans, specifications and intangible property for purposes other than in connection with the Work is at the sole risk of the City.”</p> <p>The first sentence of <u>Section 10</u> is replaced with the following sentence: “To the extent of Service Provider’s negligence, breach of this Agreement, violation or law, or willful misconduct, and except as otherwise provided in this Section, Service Provider hereby agrees to defend and indemnify and save harmless the City from any and all Claims arising out of, in connection with, or incident to any acts, errors, omissions, or conduct by Service Provider (or its employees, agents, representatives or subcontractors/subconsultants) relating to this Agreement, whether such Claims sound in contract, tort, or any other legal theory.”</p> <p>The definition of Claims in <u>Section 10</u>-is replaced with the following: “(2) ‘Claims’ include, but is not limited to, any and all losses, penalties, fines, claims, demands, expenses (including, but not limited to, attorney’s fees and litigation expenses), suits, judgments, or damages, irrespective of the type of relief sought or demanded, such as money or injunctive relief, and whether</p>

	the damage alleged is bodily injury, damage to property, or other type of event or theory of recovery.”
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END OF BASIC PROVISIONS

IN WITNESS WHEREOF, the City and Service Provider have executed this Agreement, which includes and incorporates the above Basic Provisions, the attached General Provisions, the attached scope of work (Exhibit A), and the attached method of compensation (Exhibit B).

**CITY OF EVERETT
WASHINGTON**

HDR ENGINEERING, INC.



Cassie Franklin, Mayor

08/18/2025

Date

ATTEST



Office of the City Clerk

Signature: _____



Name of Signer: Olivia Williams

Signer's Email Address: olivia.williams@hdrinc.com

Title of Signer: Washington Area Operations Manager



APPROVED AS TO FORM
OFFICE OF THE CITY ATTORNEY
FEBRUARY 22, 2024

ATTACHMENT
PROFESSIONAL SERVICES AGREEMENT
(GENERAL PROVISIONS v.071423.1)

1. **Engagement of Service Provider.** The City hereby agrees to engage Service Provider, and Service Provider hereby agrees, to perform the work in a competent and professional manner and provide the services described in the Scope of Work attached as Exhibit A. The Scope of Work so identified is hereafter referred to as “Work”. Without a written directive of an authorized representative of the City, Service Provider shall not perform any services that are in addition to, or beyond the scope of, the Work. If Service Provider’s proposal or other document generated by Service Provider is incorporated or attached as an exhibit or part of any exhibit to this Agreement or in any amendment or task or work order pursuant to this Agreement, then such proposal or document is part of this Agreement solely to the extent that it describes the Work, the Work schedule, and the amounts or rates to be paid for such Work, and Service Provider expressly agrees that no terms or conditions from such proposal or document are incorporated or included into this Agreement. In the event of difference or conflict between parts of this Agreement, Service Provider shall be bound by whichever is more stringent on Service Provider. If, and to the extent, the Work includes the design of a public work or improvement, in whole or in part, Service Provider’s design shall be reasonably accurate, adequate and suitable for its intended purpose.
2. **Intellectual Property Rights.** Reports, drawings, plans, specifications and any other intangible property created in furtherance of the Work are property of the City for all purposes, whether the project for which they are made is executed or not, and may be used by the City for any purpose. Unless otherwise expressly agreed in writing, all intellectual property rights in such documents or intangible property created pursuant to this Agreement, or for the City, belong to the City. Service Provider retains any intellectual property rights in documents and intangible property created by Service Provider prior to engagement, or not created by Service Provider for its performance of this Agreement.
3. **Time of Beginning and Completion of Performance.** This Agreement shall commence as of the date of mutual execution of this Agreement and the Work shall be completed by Completion Date stated in the Basic Provisions.
4. **Compensation.**
 - A. The City shall pay Service Provider only for completed Work and for services actually rendered which are described herein. Such payment shall be full compensation for Work performed or services rendered, including, but not limited to, all labor, materials, supplies, equipment and incidentals necessary to complete the Work.
 - B. Service Provider shall be paid such amounts and in such manner as described in Exhibit B.
 - C. Service Provider may receive payment as reimbursement for Eligible Expenses actually incurred. “Eligible Expenses” means those expenses as set forth in an exhibit to this Agreement or such expenses as are approved for reimbursement by the City in writing prior to the expense being incurred. An expense shall not be reimbursed if: (1) the expense is not identified as an Eligible Expense; (2) the expense exceeds the per item or cumulative limits for such expense if it is identified as an Eligible Expense; or (3) the expense was not approved in writing by an authorized City representative prior to Service Provider incurring the expense. If, and to the extent, overnight lodging in western Washington is authorized, Service Provider is strongly encouraged to lodge within the corporate limits of City. When authorized, Service Provider will be reimbursed 100% of lodging expense, if lodged within the corporate limits of the City, but Service Provider will be reimbursed 50% of lodging

- expense when lodged outside the corporate limits of the City. If authorized, the City may (at its sole option) obtain or arrange air travel for Service Provider.
- D. Total compensation, including all services and expenses, shall not exceed the Maximum Compensation Amount in the Basic Provisions.
 - E. If Service Provider fails or refuses to correct its work when so directed by the City, the City may withhold from any payment otherwise due an amount that the City in good faith believes is equal to the cost to the City of correcting, re-procuring, or remedying any damage caused by Service Provider's conduct.
5. **Method of Payment.**
- A. To obtain payment, Service Provider shall (a) file its request for payment, accompanied by evidence satisfactory to the City justifying the request for payment; (b) submit a report of Work accomplished and hours of all tasks completed; (c) to the extent reimbursement of Eligible Expenses is sought, submit itemization of such expenses and, if requested by the City, copies of receipts and invoices; and (d) comply with all applicable provisions of this Agreement. Service Provider shall be paid no more often than once every thirty days.
 - B. All requests for payment should be sent to the City Project Manager Address in the Basic Provisions or to an address designated by the City Project Manager in writing.
6. **Submission of Reports and Other Documents.** Service Provider shall submit all reports and other documents as and when specified in the Scope of Work. This information shall be subject to review by the City, and if found to be unacceptable, Service Provider shall correct and deliver to the City any deficient Work at Service Provider's expense with all practical dispatch. Service Provider shall abide by the City's determinations concerning acceptability of Work.
7. **Termination of Contract.** City reserves the right to terminate this Agreement at any time by sending written notice of termination to Service Provider ("Notice"). The Notice shall specify a termination date ("Termination Date"). The Notice shall be effective ("Notice Date") upon the earlier of either actual receipt by Service Provider (whether by email, mail, delivery or other method reasonably calculated to be received by Service Provider in a reasonably prompt manner) or three calendar days after issuance of the Notice. Upon the Notice Date, Service Provider shall immediately commence to end the Work in a reasonable and orderly manner. Unless terminated for Service Provider's material breach, Service Provider shall be paid or reimbursed for: (a) all hours worked and Eligible Expenses incurred up to the Notice Date, less all payments previously made; and (b) those hours worked and Eligible Expenses incurred after the Notice Date, but prior to the Termination Date, that were reasonably necessary to terminate the Work in an orderly manner. The City does not by this Section waive, release or forego any legal remedy for any violation, breach or non-performance of any of the provision of this Agreement. At its sole option, and without limitation of or prejudice to any other available remedy or recourse, the City may deduct from the final payment due Service Provider (a) any damages, expenses or costs arising out of any such violations, breaches, or non-performance and (b) any other backcharges or credits.
8. **Changes.** The City may, from time to time, unilaterally change the scope of the services of Service Provider to be performed hereunder. Such changes, including any increase or decrease in the scope of work (and resulting increase or decrease in compensation), shall: (a) be made only in writing and signed by an authorized City representative, (b) be explicitly identified as an amendment to this Agreement and (c) become a part of this Agreement.
9. **Subletting/Assignment of Contracts.** Service Provider shall not sublet or assign any of the Work without the express, prior written consent of the City.
10. **Indemnification.** Except as otherwise provided in this Section, Service Provider hereby agrees to defend and indemnify and save harmless the City from any and all Claims arising out of, in

connection with, or incident to any negligent or intentional acts, errors, omissions, or conduct by Service Provider (or its employees, agents, representatives or subcontractors/subconsultants) relating to this Agreement, whether such Claims sound in contract, tort, or any other legal theory. Service Provider is obligated to defend and indemnify and save harmless the City pursuant to this Section whether a Claim is asserted directly against the City, or whether it is asserted indirectly against the City, e.g., a Claim is asserted against someone else who then seeks contribution or indemnity from the City. Service Provider's duty to defend and indemnify and save harmless pursuant to this Section is not in any way limited to, or by the extent of, insurance obtained by, obtainable by, or required of Service Provider. Service Provider's obligations under this Section shall not apply to Claims caused by the sole negligence of the City. If (1) RCW 4.24.115 applies to a particular Claim, and (2) such Claim is caused by or results from the concurrent negligence of (a) Service Provider, its employees, subcontractors/subconsultants or agents and (b) the City, then Service Provider's liability under this Section shall be only to the extent of Service Provider's negligence. Solely and expressly for the purpose of its duties to indemnify and defend and save harmless the City, Service Provider specifically waives any immunity it may have under the State Industrial Insurance Law, Title 51 RCW. Service Provider recognizes that this waiver of immunity under Title 51 RCW was specifically entered into pursuant to the provisions of RCW 4.24.115 and was the subject of mutual negotiation. As used in this Section: (1) "City" includes the City, the City's officers, employees, agents, and representatives and (2) "Claims" include, but is not limited to, any and all losses, penalties, fines, claims, demands, expenses (including, but not limited to, attorney's fees and litigation expenses), suits, judgments, or damages, irrespective of the type of relief sought or demanded, such as money or injunctive relief, and irrespective of whether the damage alleged is bodily injury, damage to property, economic loss, general damages, special damages, or punitive damages or infringement or misappropriation of any patent, copyright, trade secret, or other proprietary right. If, and to the extent, Service Provider employs or engages subconsultants or subcontractors, then Service Provider shall ensure that each such subconsultant and subcontractor (and subsequent tiers of subconsultants and subcontractors) shall expressly agree to defend and indemnify and save harmless the City to the extent and on the same terms and conditions as Service Provider pursuant to this Section. The provisions of this Section shall survive the termination of this Agreement.

11. Insurance.

- A. Service Provider shall comply with the following conditions and procure and keep in force during the term of this Agreement, at Service Provider's own cost and expense, the policies of insurance as set forth in this Section with companies authorized to do business in the State of Washington, which are rated at least "A-" or better and with a numerical rating of no less than seven (7), by A.M. Best Company and which are acceptable to the City.
1. Workers' Compensation Insurance as required by Washington law and Employer's Liability Insurance with limits not less than \$1,000,000 per occurrence. If the City authorizes sublet work, Service Provider shall require each subcontractor to provide Workers' Compensation Insurance for its employees, unless Service Provider covers such employees.
 2. Commercial General Liability Insurance on an occurrence basis in an amount not less than \$1,000,000 per occurrence and at least \$2,000,000 in the annual aggregate, including but not limited to: premises/operations (including off-site operations), blanket contractual liability and broad form property damage.
 3. Business Automobile Liability Insurance in an amount not less than \$1,000,000 per occurrence, extending to any automobile. A statement certifying that no vehicle

will be used in accomplishing this Agreement may be substituted for this insurance requirement.

4. Professional Errors and Omissions Insurance in an amount not less than \$2,000,000 per occurrence and \$2,000,000 in the annual aggregate. Such coverage may be written on a claims made basis.
- B. The above CGL and auto liability policies shall be primary as to the City and shall contain a provision that the policy shall not be canceled or materially changed without 30 days prior written notice to the City. No cancellation provision in any insurance policy shall be construed in derogation of the continuous duty of Service Provider to furnish the required insurance during the term of this Agreement.
- C. Upon written request by the City, the insurer or its agent will furnish, prior to or during any Work being performed, a copy of any policy cited above, certified to be a true and complete copy of the original.
- D. The Description of Operations on the Certificate of Insurance must substantially read as follows: "The above commercial general and auto liability policies are primary as to the City of Everett; have the City of Everett, its officers, employees, agents, and volunteers as additional insureds; and contain a provision that the policy shall not be canceled or materially changed without 30 days prior written notice to the City of Everett."
- E. Prior to Service Provider performing any Work, Service Provider shall provide the City or the City's designee with a Certificate of Insurance acceptable to the City Attorney evidencing the required insurance. Service Provider shall provide the City or the City's designee with either (1) a true copy of an endorsement naming the City of Everett, its officers, employees, agents and volunteers as Additional Insureds on the Commercial General Liability Insurance policy and the Business Automobile Liability Insurance policy with respect to the operations performed and services provided under this Agreement and that such insurance shall apply as primary insurance on behalf of such Additional Insureds or (2) a true copy of the blanket additional insured clause from the policies. Receipt by the City or the City's designee of any certificate showing less coverage than required is not a waiver of Service Provider's obligations to fulfill the requirements.
- F. If the policy listed above, Professional Errors and Omissions Insurance, is on a claims made policy form, the retroactive date on the policy shall be the effective date of this Agreement or prior. The retroactive date of any subsequent renewal of such policy shall be the same as the original policy provided. The extended reporting or discovery period on a claims made policy form shall not be less than 36 months following expiration of the policy.
- G. Service Provider certifies that it is aware of the provisions of Title 51 of the Revised Code of Washington that requires every employer to be insured against liability of Workers' Compensation, or to undertake self-insurance in accordance with the provisions of that Title. Service Provider shall comply with the provisions of Title 51 of the Revised Code of Washington before commencing the performance of the Work. Service Provider shall provide the City with evidence of Workers' Compensation Insurance (or evidence of qualified self-insurance) before any Work is commenced.
- H. In case of the breach of any provision of this Section, the City may, at its option and with no obligation to do so, provide and maintain at the expense of Service Provider, such types of insurance in the name of Service Provider, and with such insurers, as the City may deem proper, and may deduct the cost of providing and maintaining such insurance from any sums which may be found or become due to Service Provider under this Agreement or may demand Service Provider to promptly reimburse the City for such cost.

12. **Risk of Loss.** Service Provider shall be solely responsible for the safety of its employees, agents and subcontractors in the performance of the work hereunder and shall take all protections reasonably necessary for that purpose. All work shall be done at Service Provider's own risk, and Service Provider shall be solely responsible for any loss of or damage to Service Provider's materials, tools, or other articles used or held for use in connection with the work.
13. **Independent Contractor.**
- A. This Agreement neither constitutes nor creates an employer-employee relationship. Service Provider must provide services under this Agreement as an independent contractor. Service Provider must comply with all federal and state laws and regulations applicable to independent contractors including, but not limited to, the requirements listed in this Section. Service Provider agrees to indemnify and defend the City from and against any claims, valid or otherwise, made against the City because of these obligations.
 - B. In addition to the other requirements of this Section, if Service Provider is a sole proprietor, Service Provider agrees that Service Provider is not an employee or worker of the City under Chapter 51 of the Revised Code of Washington, Industrial Insurance for the service performed in accordance with this Agreement, by certifying to the following:
 - (1) Service Provider is free from control or direction over the performance of the service; and
 - (2) The service performed is outside the usual course of business for the City, or will not be performed at any place of business of the City, or Service Provider is responsible for the costs of the principal place of business from which the service is performed; and
 - (3) Service Provider is customarily engaged in an independently established business of the same nature as the service performed, or has a principal place of business for the service performed that is eligible for a business deduction for federal income tax purposes; and
 - (4) On the effective date of this Agreement, Service Provider is responsible for filing a schedule of expenses, for the next applicable filing period, with the internal revenue service for the type of service performed; and
 - (5) By the effective date of this Agreement or within a reasonable time thereafter, Service Provider has established an account with the department of revenue and other state agencies, where required, for the service performed for the payment of all state taxes normally paid by employers and businesses and has registered for and received a unified business identifier number from the state of Washington; and
 - (6) By the effective date of this Agreement, Service Provider is maintaining a separate set of records that reflect all items of income and expenses of the services performed.
 - C. Any and all employees of Service Provider, while engaged in the performance of any Work, shall be considered employees of only Service Provider and not employees of the City. Service Provider shall be solely liable for any and all claims that may or might arise under the Worker's Compensation Act on behalf of such employees or Service Provider, while so engaged and for any and all claims made by a third party as a consequence of any negligent act or omission on the part of Service Provider's employees, while so engaged on any of the Work.
 - D. Service Provider shall comply with all applicable provisions of the Fair Labor Standards Act and other legislation affecting its employees and the rules and regulations issued thereunder insofar as applicable to its employees and shall at all times save the City free, clear and

harmless from all actions, claims, demands and expenses arising out of such act, and rules and regulations that are or may be promulgated in connection therewith.

- E. Service Provider assumes full responsibility for the payment of all payroll taxes, use, sales, income, or other form of taxes (such as state and, city business and occupation taxes), fees, licenses, excises or payments required by any city, federal or state legislation which are now or may during the term of the Agreement be enacted as to all persons employed by Service Provider and as to all duties, activities and requirements by Service Provider in performance of the Work and Service Provider shall assume exclusive liability therefor, and meet all requirements thereunder pursuant to any rules or regulations that are now or may be promulgated in connection therewith.
14. **Employment/Conflict of Interest.** Service Provider warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for Service Provider, to solicit or secure this Agreement and that it has not paid or agreed to pay any company or person, other than a bona fide employee working solely for Service Provider, any fee, commission, percentage, brokerage fee, gifts, or any other consideration, contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, the City shall have the right to annul this Agreement without liability or, in its discretion, to deduct from the Agreement price or consideration or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift, or contingent fee. Further, it is recognized that Service Provider may or will be performing professional services during the term of this Agreement for other parties; however, such performance of other services shall not conflict with or interfere with Service Provider's ability to perform the Work. Service Provider agrees to resolve any such conflicts of interest in favor of the City.
15. **Audits and Inspections.** At any time during normal business hours and as often as the City may deem necessary, Service Provider shall make available to the City for the City's examination all of Service Provider's records and documents with respect to all matters covered by this Agreement and, furthermore, Service Provider will permit the City to audit, examine and make copies, excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to all matters covered by this Agreement.
16. **City of Everett Business License.** Service Provider agrees to obtain a City of Everett business license prior to performing any work pursuant to this Agreement.
17. **State of Washington Requirements.** Service Provider agrees to register and obtain any State of Washington business licenses, Department of Revenue account and/or unified business identifier number as required by RCW 50.04.140 and 51.08.195 prior to performing any work pursuant to this Agreement.
18. **Compliance with Federal, State and Local Laws.** Service Provider shall comply with and obey all federal, state and local laws, regulations, and ordinances applicable to the operation of its business and to its performance of work hereunder.
19. **Compliance with the Washington State Public Records Act.** Service Provider acknowledges that the City is subject to the Public Records Act, chapter 42.56 RCW (the "Act"). All records owned, used or retained by the City are public records subject to disclosure unless exempt under the Act, whether or not such records are in the possession or control of the City or Service Provider. Service Provider shall cooperate with the City so that the City may comply with all of its obligations under the Act. Within ten (10) days after receipt of notice from the City, Service Provider shall deliver to the City copies of all records relating to this Agreement or relating to the Work that the City determines qualify as the City's public records under the Act. If the City receives a public records request relating to this Agreement or relating to the Work, the City shall seek to provide

notice to Service Provider at least ten (10) days before the City releases records pursuant to such public records request, but in no event will the City have any liability to Service Provider for any failure of the City to provide such notice. In addition to its other indemnification and defense obligations under this Agreement, Service Provider shall indemnify and defend the City from and against any and all losses, penalties, fines, claims, demands, expenses (including, but not limited to, attorney's fees and litigation expenses), suits, judgments, or damage arising from or relating to any failure of Service Provider to comply with this Section.

20. **Compliance with Grant/Loan Terms and Conditions.** Service Provider shall comply with any and all terms, conditions, terms and requirements of any federal, state or other agency grant or loan that wholly or partially funds Service Provider's work hereunder. If the grant or loan requires that the agency be a third party beneficiary to this Agreement, then the agency is a third party beneficiary to this Agreement.
21. **Equal Employment Opportunity.** Service Provider shall not discriminate against any employee, applicant for employment, or other person on the basis of race, color, religion, sex, age, disability, marital state, or national origin or other circumstance prohibited by applicable federal, state, or local law or ordinance. Service Provider shall comply with and shall not violate any applicable provisions of Chapter 49.60 RCW, Title VI of the Civil Rights Act of 1964, and all applicable federal, state, or local law or ordinance regarding non-discrimination.
22. **Waiver.** Any waiver by Service Provider or the City or the breach of any provision of this Agreement by the other party will not operate, or be construed, as a waiver of any subsequent breach by either party or prevent either party from thereafter enforcing any such provisions.
23. **Complete Agreement.** This Agreement contains the complete and integrated understanding and agreement between the parties and supersedes any understanding, agreement or negotiation whether oral or written not set forth herein.
24. **Modification of Agreement.** This Agreement may only be modified as provided in Section 8, or by a writing explicitly identified as a modification or amendment of this Agreement that is signed by authorized representatives of the City and Service Provider.
25. **Severability.** If any part of this Agreement is found to be in conflict with applicable laws, such part shall be inoperative, null and void, insofar as it is in conflict with said laws, and the remainder of the Agreement shall remain in full force and effect.
26. **Notices.**
 - A. Notices to the City shall be sent to the City Project Manager address in the Basic Provisions.
 - B. Notices to Service Provider shall be sent to its address in the Basic Provisions.
27. **Venue.** Venue for any lawsuit arising out of this Agreement shall be in the Superior Court of Snohomish County, Washington.
28. **Governing Law.** The laws of the State of Washington, without giving effect to principles of conflict of laws, govern all matters arising out of or relating to this Agreement.
29. **City Marks.** Service Provider will not use any trade name, trademark, service mark, or logo of the City (or any name, mark, or logo confusingly similar thereto) in any advertising, promotions, or otherwise, without the City's express prior written consent.
30. **No Personal Liability.** No officer, agent or employee of the City shall be personally responsible for any liability arising under this Agreement, whether expressed or implied, nor for any statement or representation made or in any connection with this Agreement.
31. **Federal Debarment.** Service Provider shall immediately notify the City of any suspension or debarment or other action that excludes Service Provider or any Service Provider subcontractor from participation in Federal contracting. Service Provider shall verify all subcontractors that are intended and/or used by Service Provider for performance of Work are in good standing and are not debarred, suspended or otherwise ineligible by the Federal Government. Debarment shall be verified at

<https://www.epls.gov/epls/search.do>. Service Provider shall keep proof of such verification within Service Provider records.

32. **Signature/Counterparts.** This Agreement and any amendment thereto may be signed in counterparts, each of which shall be deemed an original, and all of which, taken together, shall be deemed one and the same document. AdobeSign signatures are fully binding. Any ink, electronic, faxed, scanned, photocopied, or similarly reproduced signature on this Agreement or any amendment hereto will be deemed an original signature and will be fully enforceable as an original signature.
33. **Standard Document.** This General Provisions document is a standard City form document. No changes by Service Provider are authorized to the General Provisions. Notwithstanding anything to the contrary in this Agreement, in the event that Service Provider makes unauthorized changes to the General Provisions, such changes are deemed to have never been made and the contract between the City and Service Provider is deemed to be the unchanged standard City form General Provisions in version stated below, regardless of whether the City signs this Agreement in a form that may contain the unauthorized changes.

**END OF GENERAL PROVISIONS
(v.071423.1)**

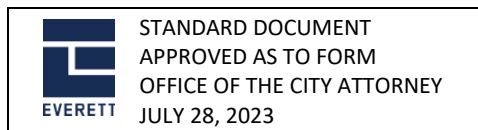


EXHIBIT A
PROFESSIONAL SERVICES AGREEMENT
(SCOPE OF WORK -- ATTACHED)

SCOPE OF WORK

1. Project Approach

Introduction

The following discussion identifies the professional and technical activities that HDR Engineering, Inc. (HDR) will perform for the development and support of the City of Everett's (City) Stormwater Rate Design Study (Study). The overall objective of the Study is to develop alternative rate design options for their stormwater utility.

The City's current stormwater rates are based on the sewer rate structure and the City wants to explore rate designs that are directly related to the customer's impact on the system. The study will utilize the last rate study's (2024) revenue requirement, and the overall rate revenue will be in line with the revenue levels from the revenue requirement. The identified tasks will provide a detailed set of recommendations based upon our review and analysis.

Goals and Objectives for the Study

The City has identified a number of specific issues to be reviewed and addressed as a part of this scope of services. These specific issues include, but are not limited to:

- ✓ Utilize the 2024 stormwater rate study revenue requirement as a basis for the cost of service and to set revenue requirement targets.
- ✓ Transition the City's stormwater rates to an impervious surface basis; review and consider approaches to smooth transition and phase-in commercial stormwater rates from a flat to impervious surface basis.

Scope of Work

This scope of work will provide a cost basis for the proposed stormwater rates. It will result in updated stormwater rates for 2027 - 2028. Provided below is a more detailed discussion of the scope of work for the City's Study.

Task 1: Project Management and Quality Control

Perform miscellaneous project set up activities, work paper documentation, internal scheduling / workload planning, invoicing, ongoing client correspondence, quality control, and other miscellaneous administrative / project management activities throughout the Study.

Task 1 Assumptions:

- Provide quality control through HDR's QC process on all deliverables provided to the City.
- Provide overall project administration and management.

Task 1 Deliverables:

- Monthly invoicing and progress report.

Task 2 – Data Collection / Kick-Off Meeting

A kick-off meeting will be held with City staff to discuss key issues and objectives and review readily available information. HDR will provide a written data request to the City in advance of the kick-off meeting.

A two-hour Initial kick-off virtual meeting with the HDR project manager and project analyst will

provide the opportunity to review and discuss any issues or concerns by either party for the Study. The meeting will also review the data issues associated with the Study, particularly as it relates to updating the impervious surface parcel data. After the meeting, HDR will follow-up with City staff (via telephone / email) for additional items or explanations, as necessary.

Task 2 Assumptions:

- A two hour virtual kick-off meeting with the HDR project manager and project analyst.
- The City will provide the data necessary to complete the requested analyses.

Task 2 Deliverables:

- Electronic version of the written data request.

Task 3: Revenue Requirement Analysis

The revenue requirement will be based on the 2024 rate study stormwater revenue requirement. The intention is to design rate alternatives for 2027 through 2028 fiscal year (FY) that are revenue neutral as compared to revenue requirements determined in the 2024 rate study. Some adjustments to the revenue requirement may need to be made due to changing financial conditions.

Task 3 Assumptions:

- Use the 2024 stormwater revenue requirement for the cost of service.

Task 3 Deliverables:

- An adjusted revenue requirement for which the cost of service will be based.

Task 4: Cost of Service Analysis

A cost of service analysis differs from a revenue requirement analysis in that a revenue requirement analysis reviews the overall adequacy of a utility's rate revenues, while a cost of service analysis proportionally distributes the revenue requirement of a utility to the utility's customer classes of service. The cost of service provides a defensible basis for proportionally assigning costs and establishing "cost-based" rates which reflect each customer group's unique facility requirements and the demands that they place upon each system. Though the main purpose of this project is to design stormwater rates, the cost of service is used as a basis for establishing proportional rates by customer type. HDR will develop a cost of service using generally accepted rate making principles utilizing different allocation methods for allocating the revenue requirement such as impervious area, total area customer related costs and other methods as appropriate.

Task 4 Assumptions:

- Review of the customer classes and customer class characteristics.
- Proportional distribution of the stormwater costs to the applicable customers classes.
- Average unit costs for the stormwater utility will be developed for use in developing rates.

Task 4 Deliverables:

- An electronic copy of the rate model with the updated cost of service analysis.

Task 5: Rate Design Analysis

This task will review and analyze the current utility stormwater rate structure. HDR will recommend rate structure modifications reflective of the cost of service findings and the City's policy objectives for rate and revenue stability, customer equity, efficiency of use, and administrative practicality. For each proposed rate design, the revenues to be generated from

the fixed and variable-based components of the rate structure will be identified to help better address the issue of revenue stability. Bill comparisons will be developed to show the bill impacts numerically and graphically of the proposed rates compared to the present rates.

The City has identified a number of specific issues to be addressed within the rate design task. These issues vary by utility and are discussed in more detail below.

Sewer/Stormwater Charges – The other sewer charge issue to be addressed in this task is the separation of stormwater charges from sewer charges. The current sewer rates include stormwater charges. The City is ready to establish stormwater rates based upon impervious areas. If that is the case, then the sewer charges (i.e., rates) developed as a part of the Study will eliminate that portion of the rate which is related to stormwater costs. Bill comparisons will need to be developed to illustrate the combined customer bill impact of the elimination of the stormwater charges within the sewer rates and the establishment of separate stormwater charges.

Stormwater Charges – As noted above, the City is interested in transitioning to separate stormwater rates based upon impervious area. This issue and the transition to impervious charges has been studied extensively by the City since the last comprehensive rate study. Similar to the City's previous studies on this topic, this is a relatively complex task requiring a number of analytical steps jointly performed by HDR and the City. Provided below is a more detailed discussion of these steps and the role of the City and HDR in them.

- ✓ **Review of Parcel/Impervious Surface Data** – The development of stormwater charges based upon the impervious surface area of a parcel requires a detailed review of non-residential parcel data. The City and HDR will jointly work on this particular aspect of stormwater rates. The parcel data developed in 2020 for a similar project will be used for this analysis unless the City chooses to provide updated parcel data. In the past, HDR has been responsible for sorting and “scrubbing” the City's parcel data (e.g., duplicates, data errors, non-billable parcels).
- ✓ **Establishing Data (Billing) Units** – The development of impervious surface-based stormwater charges cannot be developed until the parcel data has been scrubbed and resolved to the satisfaction of the City and HDR. In part, the data must be sorted to accommodate the residential and non-residential stormwater rate structures. For residential, the City is anticipating the continued use of a flat rate, with possibly a small/large category. For non-residential, each parcel must be assessed and the impervious surface area determined. From that, an impervious surface unit (ISU) must be established. Once the ISU is defined, then the number of commercial ISU billing units can be established.
- ✓ **Design of Stormwater Rate Alternatives** – With the billing information above, HDR can design the stormwater rates for residential and non-residential customers/parcels. HDR will design two alternatives for the residential customer class, one similar to the current structure which is flat rate per parcel and another that has two rates, one for small parcels and another for large parcels. For the non-residential rates, two alternatives will be designed; a \$/square foot of impervious area and an approach based upon the relationship of lot size and impervious area (% range). Bill comparisons will be developed comparing the current rate structure and the alternatives developed for residential and non-residential parcels. This comparison will quantify the impact to different types parcels and identify parcels with the

largest impact.

- ✓ **Rate Transition** – HDR and the City recognize the challenges and customer bill impacts of moving from the current non-residential stormwater rate structures to an impervious approach. Given that, the Study will review the possible methods of rate transition to gradually move non-residential to full, cost-based, impervious stormwater rates. HDR will collaborate with City staff on the overall billing/rate setting approach. However, the City will be responsible for the ultimate billing approach that works within the City's billing system. Working with the City, HDR will develop a rate transition plan for the new non-residential stormwater rates.

Task 5 Assumptions:

- Develop an excel model to review and sort the stormwater parcel data (City is responsible for reviewing and assembling data).
- Develop two (2) alternative stormwater rate designs, residential and non-residential and bill comparisons.

Task 5 Deliverables:

- An electronic copy of the rate model with the updated rate design analysis for each utility.

Task 6: Rate Study Documentation – Written Report

Prepare/submit a Study report summarizing assumptions, findings, and Study recommendations. The supporting spreadsheet analyses for the stormwater utility will be included as technical appendices. Develop an electronic (PDF) draft final report and incorporate any City comments or corrections into the final electronic (PDF) written report.

Task 6 Assumptions:

- An electronic draft report will be provided to City staff for review and comments.

Task 6 Deliverables:

- A final electronic report which includes a technical appendices of the analyses completed.

Task 7: Management Reserve

This task is intended to cover, if necessary, additional unspecified activities not identified in tasks 1 through 6, as directed by the City. Access to this reserve will be through written request by HDR and written approval by the City.

Task 7 Assumptions:

- Unspecified

Task 7 Deliverables:

- Unspecified

Summary

This completes the scope of services and approach for the City's stormwater rate design study.

Project Team

Introduction

This section of the proposal will discuss our project team organization and the key project team members.

Key Project Team Members

Provided below is a brief discussion of HDR's key project team member expertise, their roles in the project, and their experience related specifically to this project.

Kevin Lorentzen – Project Manager



- More than 20 years of industry experience in utility financial planning, cost of service and rate design.
- Expert level expertise in Excel™ computer/rate modeling and financial planning models
- Previously worked in the Finance Department of the City of Bellevue as the lead forecaster.
- Developed rate models for the City of Everett during the 2016, 2020 and 2024 rate studies.
- Provided as needed assistance in updating the rate models for the City of Everett since the completion of the rate study

Shawn Koorn – Project Principal



- More than 25 years of experience in utility rate setting, including revenue requirements, cost of service, and rate design.
- Project manager for numerous stormwater cost of service and rate studies.
- Recognized expert in the area of stormwater cost of service and rate design.
- Co-instructor for the American Water Works Association (AWWA) Financial Management seminar.
- Contributing author to the AWWA M-54 manual, Developing Rates for Small Systems.
- Provides effective presentations to City Councils, the public, and industry conferences (e.g., AWWA, WEF).

Jack Adams – Project Analyst



- 2 years of experience in utility rate setting, including revenue requirements, cost of service, and rate design.
- Has worked several similar projects such as the King County Stormwater Rate Design Study
- Proficient in working with Microsoft products like Excel and Word

To assist in Tasks outlined in the scope of services, engineering assistance will be necessary. HDR wastewater engineering staff will be collaborated with to assist in reviewing and developing components for each of the tasks.

Should other individuals be required for the City's Study, HDR has a number of other highly qualified financial, planning, and engineering individuals available to meet any specific technical need associated with this study.

Summary

This section of HDR's proposal has provided an overview of the proposed project team organization for the City's Study.

Project Time Schedule

Introduction

Based on the scope of service developed, a project time schedule can be developed.

Project Time Schedule

HDR's estimated project time schedule is, in part, driven by and based upon the availability of data, the ability to schedule internal project meetings in a timely manner, and work with City staff to develop the study final recommendations. Based upon our experience working with the City, along with the complexity of these studies, the rate study is expected to be completed by the end of 2026.

Summary

The estimated schedule is based upon the previously discussed scope of work. Given an agreed upon scope of work, HDR will work with the City to establish a final project time schedule which meets the City's scheduling requirements.

Project Fees

Introduction

This section of the proposal discusses the overall fee estimate for the City's comprehensive rate study and associated tasks. Our estimated project fees have been developed based on our proposed scope of work.

Project Fee Estimate

The estimated project fees were developed based upon the previously discussed scope of work. For each task, the labor hours, by individual, was developed. The total labor hours were then applied to the current hourly billing rates for each individual. For the proposed study, the following hourly billing rates were used to establish the proposed fees for this study. These hourly billing rates will be in effect through December 31, 2025. After December 31, 2025, billing rates will be adjusted annually to reflect salary changes. If billing rates are adjusted for annual salary adjustment the contract totals will remain the same.

<u>Individual</u>	<u>Project Role</u>	<u>Hourly Rate</u>
Kevin Lorentzen	Project Manager	\$265.00/hour
Shawn Koorn	Project Principal	335.00/hour
Jack Adams	Financial Analyst	140.00/hour
Josiah Close	Senior Financial Analyst	225.00/hour
Sara Anderson	Financial Analyst	140.00/hour
Various	Engineering Assistance	180.00/hour
Others	Project Administrative/Clerical Support	140.00/hour

The billing rates shown above cover payroll cost, employee benefits, and HDR overhead and profit.

In-House Expenses:

Vehicle Mileage	Current Federal Travel Regulation (FTR)
Black/white Photocopies (per copy)	\$0.05 to \$0.09
Color Copies (per copy)	\$0.15 to \$0.30

Direct Expenses:

No markup on expenses. Other direct expenses (parking, mileage, meals, airfare, etc.) will be billed at cost.

Based on the hourly billing rates, and the previously developed scope of services, provided below is a summary of the estimated fees for the services discussed above.

**City of Everett
2026 Rate Study Fee Estimate**

Task Description	Total
Task 1: Project Management	\$14,430
Task 2: Data Collection/Initial Project Meeting	5,030
Task 3: Revenue Requirement Analysis	6,650
Task 4: Cost of Service Analysis	35,600
Task 5: Rate Design Analysis	40,400
Task 6: Rate Study Documentation – Written Report	13,810
Task 7: Management Reserve	16,640
Total Labor	\$132,560
Plus: Expenses	<u>\$35</u>
Grand Total Fees	<u>\$132,595</u>

HDR Engineering, Inc. is willing to negotiate a final fee based upon a final agreed upon scope of work. Should the City request any additional out-of-scope services under this contract (e.g., additional public presentations), the services will be agreed to in writing and will then be provided at the hourly billing rates then in effect.

All portions of this proposal can be expanded or reduced as mutually agreed upon in writing by the City and HDR. HDR proposes that fees for this study will be billed monthly on a time-and-material basis. Should other HDR individuals be required for this project, they will be billed at their standard hourly billing rate, after a written agreement by the City.

Provided on the following page is a more detailed exhibit of the development of the fee estimate for this study. The detailed fee estimate provides the hours by individual, by task.

Summary

This section of our proposal has summarized HDR's hourly billing rates and our project fee estimate. HDR is willing to work with the City to reach a mutually acceptable scope of work and fee estimate.

City of Everett
2026 Stormwater Rate Design Analysis
Level of Effort by Task and Project Team Member

Task	Task Description	Project Principal	Project Manager	Project Analyst	QA /QC	Acct. /Admin.	Total Project
	Hourly Billing Rates	\$335	\$265	\$140	\$225	\$140	
1	Project Management						
	Hours -	4	16	0	2	60	82
	Labor Cost	\$1,340	\$4,240	\$0	\$450	\$8,400	\$14,430
2	Data Collection/ Initial Project Meeting						
	Hours -	4	8	8	2	0	22
	Labor Cost	\$1,340	\$2,120	\$1,120	\$450	\$0	\$5,030
3	Revenue Requirement						
	Hours -	2	12	20	0	0	34
	Labor Cost	\$670	\$3,180	\$2,800	\$0	\$0	\$6,650
4	Cost of Service Study						
	Hours -	20	60	80	8	0	168
	Labor Cost	\$6,700	\$15,900	\$11,200	\$1,800	\$0	\$35,600
5	Rate Design						
	Hours -	25	65	80	16	0	186
	Labor Cost	\$8,375	\$17,225	\$11,200	\$3,600	\$0	\$40,400
6	Study Documentation						
	Hours -	6	20	40	4	0	70
	Labor Cost	\$2,010	\$5,300	\$5,600	\$900	\$0	\$13,810
7	Management Reserve						
	Hours -	16	32	20	0	0	68
	Labor Cost	\$5,360	\$8,480	\$2,800	\$0	\$0	\$16,640
	Total Hours	77	213	248	32	60	630
	Total Fees	\$25,795	\$56,445	\$34,720	\$7,200	\$8,400	\$132,560
	Percentage of Hours by Employee	12.2%	33.8%	39.4%	5.1%	9.5%	100.0%
Expenses							
	Airfare (0 Round Trip @ \$425/RT)						\$0
	Hotel (0 Nights @ \$200/night)						0
	Car Rental(0 days @ \$85/Day)						0
	Parking/Miles/Meals/Etc.						0
	Copies/Printing						35
	Total Expenses						\$35
	Grand Total Project Fee Estimate						\$132,595

**EXHIBIT B
PROFESSIONAL SERVICES AGREEMENT**

**SELECT ONE OF THE FOLLOWING METHODS OF COMPENSATION, EACH OF WHICH IS
SUBJECT TO THE MAXIMUM COMPENSATION AMOUNT**

- ☐ **HOURLY RATE.** The City shall pay Service Provider a sum equal to the amount of hours actually worked multiplied by the rate identified below for staff performing the Work.

Name	Title	Rate
enter name	enter title	enter rate
enter name	enter title	enter rate
enter name	enter title	enter rate
enter name	enter title	enter rate
enter name	enter title	enter rate
enter name	enter title	enter rate
enter name	enter title	enter rate

If there are more staff than rows in the table above, then those staff names, titles, and rates shall be provided in the Scope of Work.

- ☐ **PROGRESS PAYMENTS.** The City shall pay Service Provider the following amounts upon the completion of the following tasks.

Task	Amount Paid on Task Completion
enter task	enter amount
enter task	enter amount
enter task	enter amount
enter task	enter amount
enter task	enter amount
enter task	enter amount
enter task	enter amount

If there are more tasks than rows in the table above, then those tasks and payment amounts shall be provided in the Scope of Work.

- ☐ **LUMP SUM.** The City shall pay Service Provider \$ enter amount upon the completion of the Work.

- ☒ **METHOD CONTAINED IN SCOPE OF WORK.** The City shall pay Service Provider as set forth in the Scope of Work.

- ☐ **METHOD CONTAINED IN ATTACHED PAGE(S).** The City shall pay Service Provider as set forth in the spreadsheets or other documents attached to this Exhibit B.











HDREngineering_ImperviousSurfaceStudy_PSA_SB_08.13.25_SD.pdf

Final Audit Report

2025-08-18

Created:	2025-08-14
By:	Marista Jorve (mjorve@everettwa.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAAzxyKGCKpV-OBs37DKaY4zDljWLM6K_S

"HDREngineering_ImperviousSurfaceStudy_PSA_SB_08.13.25_SD.pdf" History

-  Document created by Marista Jorve (mjorve@everettwa.gov)
2025-08-14 - 5:35:54 PM GMT
-  Document emailed to Shaun Bridge (SBridge@everettwa.gov) for approval
2025-08-14 - 5:37:09 PM GMT
-  Email viewed by Shaun Bridge (SBridge@everettwa.gov)
2025-08-14 - 6:01:40 PM GMT
-  Document approved by Shaun Bridge (SBridge@everettwa.gov)
Approval Date: 2025-08-14 - 6:02:39 PM GMT - Time Source: server
-  Document emailed to Olivia Williams (olivia.williams@hdrinc.com) for signature
2025-08-14 - 6:02:41 PM GMT
-  Email viewed by Olivia Williams (olivia.williams@hdrinc.com)
2025-08-14 - 9:00:34 PM GMT
-  Email viewed by Olivia Williams (olivia.williams@hdrinc.com)
2025-08-18 - 1:34:06 PM GMT
-  Document e-signed by Olivia Williams (olivia.williams@hdrinc.com)
Signature Date: 2025-08-18 - 1:35:40 PM GMT - Time Source: server
-  Document emailed to Tim Benedict (TBenedict@everettwa.gov) for approval
2025-08-18 - 1:35:43 PM GMT
-  Email viewed by Tim Benedict (TBenedict@everettwa.gov)
2025-08-18 - 1:38:48 PM GMT



Document approved by Tim Benedict (TBenedict@everettwa.gov)

Approval Date: 2025-08-18 - 1:39:10 PM GMT - Time Source: server



Document emailed to Cassie Franklin (cfranklin@everettwa.gov) for signature

2025-08-18 - 1:39:17 PM GMT



Email viewed by Cassie Franklin (cfranklin@everettwa.gov)

2025-08-18 - 1:42:52 PM GMT



Document e-signed by Cassie Franklin (cfranklin@everettwa.gov)

Signature Date: 2025-08-18 - 1:43:02 PM GMT - Time Source: server



Document emailed to Marista Jorve (mjorve@everettwa.gov) for signature

2025-08-18 - 1:43:04 PM GMT



Document e-signed by Marista Jorve (mjorve@everettwa.gov)

Signature Date: 2025-08-18 - 6:16:25 PM GMT - Time Source: server



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2025-08-18 - 6:16:25 PM GMT