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OFFICIAL RECORDS

Requested By:
DC/PUBLIC WORKS

DOUGLAS COUNTY RECORDERS
Karen Ellison - Recorder

Page: 1 of 20 Fee: \$ 0.00

Bk: 0314 Pg: 1276



Deputy sg

Assessor's Parcel Number: N/A

Date: MARCH 10, 2014

Recording Requested By:

Name: EILEEN CHURCH, PUBLIC WORKS

Address: _____

City/State/Zip: _____

Real Property Transfer Tax: \$ N/A

CONTRACT #2014.049

(Title of Document)

CONTRACT FOR SERVICES BY AN INDEPENDENT CONTRACTOR

A CONTRACT BETWEEN

DOUGLAS COUNTY, NEVADA

AND

FARR WEST ENGINEERING

TED THIRAN
CLERK
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FILED

This Contract for Services by an Independent Contractor (the "Contract") is entered into by and between Douglas County, a political subdivision of the State of Nevada, through the Board of County Commissioners (the "County"), and Farr West Engineering ("Contractor"). The County and Contractor are at times collectively referred to hereinafter as the "Parties" or individually as the "Party."

WHEREAS, Douglas County, a political subdivision of the State of Nevada, from time to time requires the services of independent contractors; and

WHEREAS, it is deemed that the services of Contractor herein specified are both necessary and desirable and in the best interests of Douglas County; and

WHEREAS, Contractor represents that Contractor is duly qualified, equipped, staffed, ready, willing and able to perform and render the services hereinafter described.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein made, the County and Contractor mutually agree as follows:

1. TERM AND EFFECTIVE DATE OF CONTRACT. The Contract will become effective on the date it is approved and signed by representatives of both Parties. Time is of essence for performance of the professional services described herein and all tasks must be completed by Wednesday, December 31, 2014.

2. INDEPENDENT CONTRACTOR STATUS. The Parties agree Contractor will have the status of an independent contractor and that the Contract, by explicit agreement of the Parties, incorporates and applies the provisions of NRS 333.700, as necessarily adapted to the Parties, including the express understanding that Contractor is not an employee of the County and that:

There shall be no:

- (1) Withholding of income taxes by the County;
- (2) Industrial insurance coverage provided by the County;
- (3) Participation in group insurance plans which may be available to employees of the County;

- (4) Participation or contributions by either the Contractor or the County to the public employee's retirement system;
- (5) Accumulation of vacation leave or sick leave; and
- (6) Unemployment compensation coverage provided by the County if the requirements of NRS 612.085 for independent contractors are met.

3. INDUSTRIAL INSURANCE. Contractor further agrees that, prior to the commencement of any work and as a precondition to any obligation of the County to make any payment under the Contract, Contractor will provide the County with a work certificate and/or a certificate issued by a qualified insurer in accordance with NRS 616B.627. Contractor also agrees that, prior to commencing any work under the Contract, Contractor will complete and provide evidence to the County that Contractor has made the following written request to Contractor's insurer:

Farr West Engineering has entered into a contract with Douglas County to perform work through Wednesday, December 31, 2014 and requests that an authorized insurer provide to Douglas County: (1) A certificate of coverage issued pursuant to NRS 616B.627 and (2) Notice of any lapse in coverage or nonpayment of coverage that the Contractor is required to maintain.

The certificate and notice should be mailed to:

Douglas County
Public Works Department
Post Office Box 218
Minden, Nevada 89423

Contractor agrees to maintain all required workers' compensation coverage throughout the entire term of the Contract. If Contractor does not maintain the required coverage throughout the entire term of the Contract, Contractor agrees that the County may, at any time the coverage is not maintained by Contractor, order the Contractor to stop work, suspend the Contract, or terminate the Contract at the sole discretion of the County. For each six-month period this Contract is in effect, Contractor agrees, prior to the expiration of the six-month period, to provide another written request to the insurer for the provision of a certificate and notice of lapse in, or nonpayment of, insurance coverage. If Contractor does not make the request or does not provide the certificate before the expiration of the six-month period, Contractor agrees that the County may order the Contractor to stop work, suspend the Contract, or terminate the Contract at the sole discretion of the County.

4. SERVICES TO BE PERFORMED. The Parties agree that the Contractor will perform the following:

Complete the West Valley Hydrogeologic Study in accordance with the attached Scope of Work, fee estimate, and fee schedule.

5. PAYMENT FOR SERVICES. Contractor agrees to provide the services set forth in Paragraph 4 on a time and materials cost not to exceed two hundred thousand Dollars

(\$200,000.00) (the "Contract Price"). Unless Contractor has received a written exemption from the County, Contractor shall submit monthly requests for payment for services performed under this Contract. Requests for payment shall be submitted no later than fifteen (15) days after the end of a month and must include a detailed summary of the expenditures reported in a form that supports the approved budget. Specifically, Contractor agrees to provide with each request for payment a schedule of actual expenditures for the period, cumulative total expenditures for the entire contract, and a comparison of cumulative total expenditures to the maximum expected fee for the services and tasks set forth in Paragraph 4.

6. TERMINATION OF CONTRACT. Either Party may terminate the Contract if either Party fails to correct any breach of the terms of the Contract within 30 days after receiving notice of such breach and having been given a reasonable opportunity to cure the breach.

7. NONAPPROPRIATION. All payments required pursuant to the Contract are contingent upon the availability of County funds. In accordance with NRS 354.626 and any other applicable provision of law, the financial obligations between the Parties will not exceed those monies appropriated and approved by the County for the Contract for the then current fiscal year under the Local Government Budget Act. The Contract will terminate and the County's obligations will be extinguished if the County fails to appropriate the necessary funding.

Nothing in the Contract will be construed to provide Contractor with a right of payment from any entity other than the County. Any funds budgeted by the County pursuant to the terms of the Contract that are not paid to Contractor will automatically revert to the County's discretionary control upon the completion, termination, or cancellation of the Contract. The County will not have any obligation to re-award or to provide, in any manner, the unexpended funds to Contractor. Contractor will have no claim of any sort to the unexpended funds.

8. CONSTRUCTION OF CONTRACT. The Contract will be construed and interpreted according to the laws of the State of Nevada. There will be no presumption for or against the drafter in interpreting or enforcing the Contract. In the event a dispute arises between the Parties, the Parties promise and agree to first meet and confer to resolve any dispute. If such meeting does not resolve the dispute, then the Parties agree to mediate any dispute arising from or relating to the Contract before an independent mediator mutually agreed to by the parties. The fee, rate or charge of the mediator will be shared equally by the Parties, who will otherwise be responsible for their own attorney's fees and costs. If mediation is unsuccessful, litigation may only proceed before a department of the Ninth Judicial Court of the State of Nevada in and for the County of Douglas that was not involved in the mediation process and attorney's fees and costs will be awarded to the prevailing party at the discretion of the court.

9. COMPLIANCE WITH APPLICABLE LAWS. Contractor promises and agrees to fully and completely comply with all applicable local, state and federal laws, regulations, orders, or requirements of any sort in carrying out the obligations of the Contract, including, but not limited to, all federal, state, and local accounting procedures and requirements, all hazardous materials regulations, and all immigration and naturalization laws.

10. ASSIGNMENT. Contractor will neither assign, transfer nor delegate any rights, obligations or duties under the Contract without the prior written consent of the County.

11. COUNTY INSPECTION. The books, records, documents and accounting procedures and practices of Contractor related to the Contract will be subject to inspection, examination and audit by the County, including, but not limited to, the contracting agency, the County Manager, the District Attorney, and, if applicable, the Comptroller General of the United States, or any authorized representative of those entities.

12. DISPOSITION OF CONTRACT MATERIALS. Any books, reports, studies, photographs, negatives or other documents, data, drawings or other materials prepared by or supplied to Contractor in the performance of its obligations under the Contract (the "Materials") will be the exclusive property of the County and all such materials will be remitted and delivered, at Contractor's expense, to the County by Contractor upon the completion, termination or cancellation of the contract. Alternatively, if the County provides its written approval to Contractor, the Materials must be retained by Contractor for a minimum of six years after Contractor's receipt of the final payment from County and all other pending matters are closed. If, at any time during the retention period, the County, in writing, requests any or all of the Materials, then Contractor will promptly remit and deliver the materials, at Contractor's expense, to the County. Unless the County has requested the remittance and delivery by Contractor of the Materials, Contractor will not use, willingly allow or cause to have such Materials used for any purpose other than the performance of Contractor's obligations under the terms of the Contract without the prior written consent of the County.

13. PUBLIC RECORDS LAW. Contractor expressly understands and agrees that all documents submitted, filed, or deposited with the County by Contractor, unless designated as confidential by a specific statute of the State of Nevada, will be treated as public records pursuant to NRS chapter 239 and shall be available for inspection and copying by any person, as defined in NRS 0.039, or any governmental entity. Contractor expressly and indefinitely waives all of its rights to bring, including but not limited to, by way complaint, interpleader, intervention, or any third party practice, any claims, demands, suits, actions, judgments, or executions, for damages or any other relief, in any administrative or judicial forum, against the County or any of its officers or employees, in either their official or individual capacity, for violations of or infringement of the copyright laws of the United States or of any other nation.

14. INDEMNIFICATION. Contractor agrees to indemnify, defend, and save and hold the County, its agents and employees harmless from any and all claims, causes of action or liability arising from or related to Contractor's negligent performance pursuant to the terms of the Contract by Contractor or Contractor's agents or employees.

15. MODIFICATION OF CONTRACT. The Contract and the attached exhibits constitute the entire agreement and understanding between the Parties and may only be modified by a written amendment signed by both of the Parties.

16. AUTHORITY. The Parties represent and warrant that they have the authority to enter into this agreement.

17. STANDARD OF CARE. Contractor will perform all services in a manner consistent with that level of care and skill ordinarily exercised by other members of Contractor's profession currently practicing in the same locality under similar conditions.

18. WAIVER OF LIEN. Contractor understands and agrees that the services it will render to the County are not intended for the improvement of real property or to otherwise grant any rights to Contractor pursuant to NRS chapter 108.

19. THIRD PARTY BENEFICIARY. Nothing contained in this Agreement is intended to convey any rights or to create a contractual relationship with any third party or to otherwise allow a third party to assert a cause of action against either Contractor or County.

20. NOTICES. All notices, requests, demands and other communications hereunder must be in writing and will be deemed delivered when sent via certified mail, return receipt requested or by commercial courier, provided the courier's regular business is delivery service and provided further that it guarantees delivery to the addressee by the end of the next business day following the courier's receipt from the sender, addressed as follows (or any other address that the Party to be notified may have designated to the sender by like notice):

To County: Douglas County
Attn: Public Works Director
1120 Airport Road, F2
Post Office Box 218
Minden, Nevada 89423
Telephone: (775) 782-6227

To Contractor: Farr West Engineering
5442 Longley Lane, Suite A
Reno, NV 89801
Telephone: 775-851-4788

21. CONFLICT OF INTEREST. By signing the Contract, Contractor agrees that any information obtained from Douglas County, in whatever form, will not be divulged to other competing interests without the permission of the County Manager. In the event of a breach of this provision, Douglas County may immediately withdraw, without penalty or any payment, from the Contract. Contractor must notify Douglas County of any other contracts or projects Contractor is working on that may impact Douglas County.

IN WITNESS WHEREOF, the Parties hereto have caused the Contract to be signed and intend to be legally bound thereby.

Farr West Engineering

By: *Brent Farr* 2-26-14
Brent Farr, President (Date)

Douglas County

By: *Doug Johnson* 3/6/14
Doug Johnson, Chairman - Board of County Commissioners (Date)

Attest

Ted Thran 3/6/14
By: Ted Thran, County Clerk (Date)

By: *Lizanne Suduch*
Clerk to the Board

FARR WEST

ENGINEERING

February 17, 2014

Nicholas Charles, PE
Douglas County Public Works
PO Box 218
Minden, NV 89423

RE: SCOPE OF WORK – WEST VALLEY HYDRGEOLOGIC STUDY

Dear Nick,

Farr West Engineering (Farr West) appreciates the opportunity to present this scope of work (SOW) to provide professional services for the West Valley Hydrogeologic Study (Study). Douglas County's (County) objective for the Study is to identify, investigate and recommend a new potable groundwater source for the Montana and West Valley water systems. This is being done to make up for degrading water quality in existing wells (Walley's production well), supply anticipated increasing water demands in the area and improve operational efficiency for the production of water (Montana production well).

The SOW presented outlines the necessary minimum tasks required to meet the project objectives, while staying within the County's preliminary budget of \$160,000. The scope of work includes the drilling of two exploratory wells that will provide additional hydrogeologic data for siting the new production well. To meet the County's budget, our scope and fee estimate include drilling these exploratory holes using the mud rotary well drilling method to collect the necessary lithologic data to make a recommendation for a new production well site. Results of the hydrogeologic investigation performed in Task 2 will dictate any refinements recommended to the proposed SOW. Adjustments to the SOW could include drilling methods, number of test holes, aquifer and water quality testing, additional well site QA/QC services, etc. These adjustments would be included in Task 3.6 Exploratory Well Drilling Supplementary Budget.

The scope of work will include the following tasks:

- Task 1 – Kickoff Meeting and Work Plan Development
- Task 2 – Hydrogeologic Investigation
- Task 3 – Exploratory Well Drilling
- Task 4 – Reporting
- Task 5 – Project Management and QA/QC

TASK 1 - KICKOFF MEETING AND WORK PLAN DEVELOPMENT

Development of a detailed work plan will ensure that the project is completed in an efficient manner. Farr West will hold a kickoff meeting with the County to discuss all elements of the scope of work so that the merits and extent of work plan components can be discussed and prioritized. For example, the potential benefits of surface geophysical surveys, down well surveys and other optional project components can be discussed in greater detail than in this SOW. The purpose of the meeting is also to review the objectives of the project, review the County's goals, develop clear lines of communication, and establish what is expected from both Farr West and County staff to make this a successful project.

Due to the nature of hydrogeologic investigation projects, the components of the work plan may need to be adjusted as the work proceeds. This will be accomplished through regular communication and collaboration between Farr West and the County.

Deliverables/Action Items:

- Kickoff Meeting agenda and meeting minutes
- Project Work Plan

TASK 2 – HYDROGEOLOGIC INVESTIGATION

The hydrogeologic investigation will include a review and analysis of available data and reports, culminating with the recommendation of exploratory well site(s) and a well drilling program.

Task 2.1 - Data Review and Analysis

This subtask includes the collection and review of existing well data, including water quality, production history, water levels, previous hydrogeologic reports, etc. The analysis of the data is critical in developing the direction for the project and adjusting the project work plan, as necessary. After the initial data review and analysis, Farr West will prepare a memorandum discussing our evaluation of the data, as well as presenting the need for further data collection, if necessary. This will provide the framework to adjust the work plan and ensure that Farr West will stay within the scope and budget for the remainder of the project.

Data review sources will include, but not be limited to:

- USGS reports, Nevada Water Science Center aquifer test database, water level database and water quality database;
- NDWR water level database and well log database;
- NDEP SDWIS water quality database;
- Douglas County consultant reports, production and water level data, existing water system components, projection of future water system requirements;
- Reports, well logs, GIS parcel viewer and water system maps, and
- Reports or maps on the nature and extent of the geothermal activity at Walley's Hot Springs, Hobo Hot Springs and potentially other sites in the areas of interest.

Based on our evaluation of existing data and reports, Farr West may recommend further field data collection to collect hydrogeologic data that will help assist in the exploratory well site selection. Field data collection could include surface geophysical surveys and down well data collection from existing wells. The recommendation to complete additional data collection will be determined after the initial data review and evaluation. The cost of additional data collection would be covered in Task 3.6 by the exploratory well drilling supplementary budget for this project.

Deliverables/Action Items:

- Memorandum – Data Evaluation
- Revised Project Work Plan

Task 2.2 - Exploratory Well Site Selection

This subtask includes an evaluation of potential exploratory well sites. This process includes an interactive decision making workshop with County staff based on evaluation criteria developed for the site selection. The selection criteria will be composed into a matrix type evaluation table and used to evaluate, rank, and ultimately select the preferred exploratory well sites. This process results in an assessment of alternatives and associated costs and a defined project based on short and long term costs and associated project risks.

Task 2.2.1 - Selection Criteria Development

Farr West will develop a preliminary list of selection criteria, which will then be reviewed in detail with County staff. Feedback from the County will be critical in establishing and

prioritizing the most important aspects of the project. Along with the hydrogeologic information analyzed in Task 2.1, other examples of selection criteria include:

- Water quality,
- Potential production capacity,
- Property availability,
- Existing water system infrastructure and demands,
- Well drilling methods, and
- Water rights.

Task 2.2.2 - Alternatives Evaluation

Potential exploratory well sites will be evaluated thoroughly based on the criteria developed above, with the results identifying the preferred well sites. This evaluation includes an interactive decision making process conducted at a workshop with the County. County staff along with the Farr West team will participate in evaluation and ranking of the potential exploratory well sites. Evaluation factors will include the prioritized site selection criteria as well as other key factors identified during the process.

After the evaluation and ranking workshop, Farr West will prepare an Exploratory Well Site Selection Memorandum to document the evaluation process and preferred drill sites.

Deliverables/Action Items:

- Selection Criteria Summary
- Evaluation ranking workshop
- Memorandum – Exploratory Well Site Selection

Task 2.3 - Exploratory Well Drilling Program

Farr West has experience working with a variety of drilling methods. Each method will have its advantages and the appropriate choice pertains to the project and the desired results. The County would like two (2) exploratory test holes to characterize the proposed well site(s). In order to collect water quality, either a permanent monitor well or temporary test well needs to be installed, developed and sampled or a drilling method that incorporates drive casing and does not utilize drilling fluids can be used to collect in-situ water quality. The appropriate test drilling method can only be confirmed based on the complete review of data and site selection process. This task will include evaluating viable well drilling options for the County. The selected method will be chosen and approved by the County based on the complete review and analysis.

Other drilling methods and additional testing may be recommended based on the data review and site selection process. Drilling method selection can have a large impact on the project budget. The exploratory well drill program memorandum will include a discussion regarding different drilling and data collection methods, advantages and disadvantages of each method, potential cost differences between the different methods, a discussion on what is in the best interest of the County, what method provides the highest potential for project success, and a final recommendation regarding drilling and data collection methods.

Deliverables/Action Items:

- Memorandum - Exploratory Well Drilling Program

TASK 3 – EXPLORATORY WELL DRILLING

This task outlines the steps necessary for executing the test well drilling program. This includes the following components:

- Drilling program design and preparation of technical specifications,
- Contractor selection and contracting,
- Permitting with NDEP and NDWR,
- Exploratory well drilling, and
- Well site hydrogeologic and QA/QC services.

If property acquisition is necessary as part of this project, Farr West assumes that the County will take the lead in securing the necessary property and easements for the drilling component of this project.

The base budget for this task assumes completing two exploratory borings utilizing rotary methods to drill the borings, collecting lithologic samples, and collecting down hole geophysical data to characterize the borings without the collection of water quality samples or aquifer testing. These exploratory borings would not be completed with casing. For budgeting purposes, we have assumed each boring will be drilled to a depth of 400 feet. Approved changes to the base budget are addressed in Task 3.6.

Task 3.1 – Drilling Program Design and Specifications

Farr West will prepare specifications to execute the test well drilling program, including preparation of a project manual that will include the technical specifications and associated bid documents such as a bid schedule, general conditions, and special conditions. The specifications

will be developed to ensure that the selected contractor has the ability to perform the work correctly.

Task 3.2 - Contractor Selection and Contracting

Farr West will take the lead in the bidding process and selection of the drilling contractor, with input and concurrence from the County. We will coordinate the solicitation and contractor selection and contract directly with the drilling contractor for this project. Issuance of the Notice of Award to the selected drilling contractor will be issued after written approval from the County.

Task 3.3 - Permitting

Farr West will take the lead, with assistance provided by the County as necessary, with obtaining permits for the project. Permits for exploratory well drilling projects could include change applications for water rights, monitor well waiver applications, discharge permits, traffic control and initial permitting with the Bureau of Safe Drinking Water to verify acceptance of the proposed sites based on setbacks from contaminants, etc.

Task 3.4 – Exploratory Well Drilling

Two exploratory wells utilizing rotary methods to drill the borings, collecting lithologic samples, and collecting down hole geophysical data to characterize the borings without the collection of water quality sampling or aquifer testing will be completed. These exploratory borings would not be completed with casing. The borings will be drilled to a depth of 400 feet.

The number of wells, depth of boreholes, method of drilling and testing by a pump contractor will be determined by the available budget. Aspects of the project may be removed or added as the project evolves and the work plan changes based on information obtained during the course of the project. For example, adding surface geophysical surveys would require decreasing another portion of the work plan and utilizing the previously allocated budget. Costs associated with selection of a different drilling method or well completion would be covered under supplementary well drilling budget in Task 3.6.

Task 3.5 – Well Site Hydrogeologic and QA/QC Services and Testing

Farr West will provide on-site hydrogeologic services during drilling of the exploratory well(s) and will analyze the test results. Specific services will include:

- Providing well-site hydrogeologic services during critical data collection activities. Farr West will log the lithologic formation materials penetrated by the well bore and ensure the work done by the drilling contractor complies with the specifications;
- Farr West will require that the well drilling contractor collect representative geologic samples from each five-foot interval of the borehole. A portion of each sample will be preserved in chip trays for future reference. Selected samples will be observed for size and gradation to help select the filter pack and screen aperture width for a subsequent production well, if warranted; and
- Observe the borehole geophysical log and compare it with the lithologic log to determine the well construction;

Well site QA/QC requirements may change if a different drilling method and sampling program are recommended based on the data review. If alternative drilling and/or QA/QC services and testing are recommended, these would be covered under Task 3.6 and could include:

- Aquifer testing including determining the frequency of data collection during aquifer testing and coordinate with the drilling contractor to monitor/regulate/record the pumping rate and water levels in the test well and nearby existing wells. Farr West's hydrogeologist will work with the County to manage the discharge water; and
- Water quality sampling including coordinating the collecting of water samples from the discharge at the end of the tests and submitting them to a certified laboratory for analysis.

The budget for well site QA/QC services for this SOW is based on the drilling of two exploratory wells using rotary methods. We have budgeted for a 21 day drilling period and to provide well site QA/QC for 8 hours per day for the 21 day period.

Task 3.6 – Exploratory Well Drilling Supplementary Budget

Based on the recommendations of Task 2.3, alternative drilling and/or data collection methods other than mud rotary may be recommended to obtain the most accurate and useful information. As a result additional expenses may be accrued to cover the additional costs of alternative drilling and data collection methods. The budget for this task would also cover other items such

as unforeseen drilling conditions, property acquisition, etc. Budget from this task may only be approved for use through written consent from Douglas County Public Works.

Deliverables/Action Items:

- Exploratory Well Specifications and Cost Estimate
- Permit Applications
- Drilling Contractor Recommendation

TASK 4 – REPORTING

Farr West will analyze the test data and drilling information to assess the feasibility of a production well at the site(s). The results of this analysis will be provided in a technical report. The report will include:

- A chronological summary of the drilling and testing program;
- A summary of the geologic conditions encountered in the subsurface;
- A diagram that depicts the construction details, the lithologic log, and borehole geophysical logs, *if completed*, for the well(s);
- Detailed field data sheets from the contractor on site;
- Data plots;
- Assuming the test well site meets expectations, general design criteria for a production well at the site.

If performed under Task 3.6, the report could include:

- The results of the analysis of the pumping test. The analysis will provide values for the hydraulic properties of the aquifer, projections of the likely performance of a production well, and an estimation of interference on nearby wells;
- The results of the targeted analyses of the water samples.

Initially, a draft report will be provided for review. A final report will then be prepared that incorporates the comments from the draft report.

Deliverables/Action Items:

- Draft Exploratory Well(s) Completion Report
- Exploratory Well(s) Completion Report

TASK 5 – PROJECT MANAGEMENT AND QUALITY ASSURANCE/QUALITY CONTROL

Project Management

This task includes overall project management throughout the project. Project management tasks include, but are not limited to, coordination with the County and subconsultants, preparation of monthly status reports and invoices and associated administrative time.

Our objective is to provide the County with frequent, timely, and detailed status updates of project activities, as well as challenges faced during project execution.

Quality Assurance/Quality Control

Quality Assurance/Quality Control (QA/QC) will be incorporated throughout the project, with specific responsibility of ensuring the success of the project in the hands of our Principal Engineer. QA/QC is a fundamental component of construction oversight, particularly in wells. As the project moves into the well drilling phase, Farr West will provide qualified staff on-site during all critical contractor activities.

PROJECT SCHEDULE

The proposed project schedule, broken down by task, is attached. The schedule is based on an estimated Notice to Proceed date of March 7, 2014. The schedule provides a conservative time frame to allow for potential contingencies to address project changes and unforeseen conditions during exploratory well drilling.

PROJECT BUDGET

Farr West Engineering proposes to perform the above scope of services for an estimated fee not to exceed \$160,000.00. The estimated fee will not be exceeded without prior authorization. The work will be billed on a time and expense basis according to the 2014 Farr West Fee Schedule (Exhibit A). Exhibit B includes a task breakdown and estimated budget per task. Budget may be reallocated between tasks as necessary without affecting the total project budget.

We also recommend the County include a budget of \$40,000 for Task 3.6 to allow for alternative drilling methods, increased well site inspection and testing, unforeseen drilling conditions, etc. The budget under Task 3.6 would also cover any project delays and effort associated with and property acquisition. Budget from Task 3.6 may only be approved for use through written consent from Douglas County Public Works.

Please contact me at (775) 853-7263 if you have any questions regarding this SOW. We are prepared to commence work immediately upon your authorization.

I look forward to working with you and your team on this project.

Sincerely,



Dave Hunt, PE
Principal Civil Engineer

Attachments:

- Exhibit A – 20014 Farr West Fee Schedule
- Exhibit B – Task Breakdown and Fee Estimate

FARR WEST
 ENGINEERING

2014 RATE SCHEDULE

Title	Hourly Rate	Title	Hourly Rate
Principal Civil Engineer	\$130	Senior Designer	\$90
Project Manager	\$105	GIS Analyst	\$105
Project Engineer, EIT	\$90	GIS Technician	\$75
Senior Hydrogeologist	\$130	Water Rights Surveyor	\$125
Hydrogeologist	\$90	Water Rights Specialist	\$105
Principal Electrical Engineer	\$150	Water Rights Technician	\$75
Environmental Scientist	\$105	Professional Surveyor	\$115
Construction Inspector	\$90	Survey Technician	\$75
Senior Administrator	\$70	Survey Technician II	\$60
Administrator	\$45	2 Man Survey Crew	\$135
Intern	\$45	3 Man Survey Crew	\$155

Other Fees and Charges:

1. All direct project expenses, including subconsultants, will be billed at actual cost plus 15%.
2. Vehicles used for travel to meetings, deliveries, etc. will be charged at the current federal reimbursement rate.
3. Vehicles used on job sites for surveying or construction inspection will be charged at a rate of \$75/day and \$0.75 per mile.
4. GPS receivers will be charged at a rate of \$10/hr/receiver.
5. Density gauges will be charged at a rate of \$100/day.
6. An overtime surcharge of 25% will be applied to the hourly rates of non-salaried employees for authorized overtime work.

Douglas County Public Works
West Valley Hydrologic Study
Task Breakdown and Fee Estimate

Task	Professional Engineer	Hydrogeologist	Water Rights Technician	GIS Analyst	Architect	Hours	Total Labor	Expenses	Drilling Contractor	Total
Task 1 - Kickoff Meeting and Work Plan Development										
1.1 Project Kickoff Meeting	2	0	0	0	0	2	\$1,040.00	\$75.00		\$1,115.00
1.2 Well Plan Development	5	18	0	0	0	23	\$3,840.00			\$3,840.00
1.3 Kickoff Meeting Agenda and Meeting Minutes										
1.4 Project Work Plan	10	22	0	0	0	32	\$4,000.00	\$75.00	\$0.00	\$4,075.00
Task 1 Total:										
Task 2 - Hydrogeologic Investigation										
2.1 Data Review and Analysis	2	10	0	0	0	12	\$1,280.00	\$75.00		\$1,355.00
2.2 Exploratory Well Site Selection	4	20	0	0	0	24	\$2,400.00	\$75.00		\$2,475.00
2.2.1 Selection Criteria Development										
2.2.2 Alternative Evaluation	2	12	0	0	0	14	\$1,620.00	\$75.00		\$1,695.00
2.3 Exploratory Well Drilling Program										
2.3.1 Memorandum - Data Evaluation										
2.3.2 Revised Project Work Plan										
2.3.3 Selection Criteria Summary										
2.3.4 Memorandum - Exploratory Well Site Selection										
2.3.5 Memorandum - Exploratory Well Drilling Program										
2.3.6 Memorandum - Well Site Selection Criteria										
2.3.7 Exploratory Well Site Evaluation Report										
Task 2 Total:										
Task 3 - Exploratory Well Drilling										
3.1 Drilling Program Design and Specifications	4	4	0	0	0	8	\$800.00			\$800.00
3.2 Contractor Selection and Contracting	2	4	0	0	0	6	\$600.00			\$600.00
3.3 Permitting	8	12	0	0	0	20	\$2,000.00			\$2,000.00
3.4 Exploratory Well Drilling (A)	4	4	0	0	0	8	\$1,000.00	\$73,000.00		\$74,000.00
3.5 Well Site Hydrogeologic and QA/QC Services and Testing (A)	88	108	0	0	0	196	\$26,220.00	\$1,000.00	\$5,500.00	\$33,720.00
3.6 Exploratory Well Drilling Supplementary Budget (A)										
3.7 Exploratory Well Drilling Deliverables										
3.7.1 Exploratory Well Specifications and Cost Estimate										
3.7.2 Permit Applications										
3.7.3 Bid Results and Drilling Contractor Award Recommendation										
Task 3 Total:										
Task 4 - Reporting										
4.1 Analyze Test Data and Drilling Information	4	84	0	0	0	88	\$18,440.00			\$18,440.00
4.2 Draft and Final Exploratory Wells Completion Report	4	64	0	0	0	68	\$18,440.00	\$0.00	\$0.00	\$18,440.00
Task 4 Total:										
Task 5 - Project Management										
5.1 Project Coordination and Management	8	16	0	0	0	24	\$2,400.00			\$2,400.00
5.2 Quality Assurance/Quality Control	8	16	0	0	0	24	\$2,400.00			\$2,400.00
Task 5 Total:										
TOTAL ALL TASKS										
	30	258	460	4	12	18	\$51,220.00	\$1,900.00	\$78,500.00	\$129,620.00

(A) Exploratory well drilling costs, including well site hydrogeologic services and QA/QC services during testing estimated based on 2 of test holes at 400' depth. Costs are estimated based on an exploratory drilling method using mud rotary, and drilling time of 16 days. Well site QA/QC is estimated to include 8 hours per day for the drilling period of 15 days.

(B) A supplementary well drilling budget, Task 3.6 is included to allow for revised drilling methods, number of test holes, aquifer testing, water quality sampling, increased need for QA/QC services and testing, and unforeseen drilling conditions.

COPY

Douglas County

State of Nevada

CERTIFIED COPY

I certify that the document to which this certificate is attached is a full and correct copy of the original record on file in the Clerk-Treasurer's Office on this

10th day of March, 2014

By [Signature] Deputy