



water resources / environmental consultants

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June 1, 2006

The Honorable Doug Formon  
Mayor  
City of Jonesboro  
PO Box 1845  
Jonesboro, AR 72403

RE: Proposal for Construction Management Services of the Installation of Landfill Gas (LFG) Extraction System and Final Cover System for the City of Jonesboro Landfill Facility  
FTN No. P4470-06-02

Dear Mayor Formon:

FTN Associates, Ltd. (FTN) appreciates the opportunity to submit the following proposal to provide construction management services related to the installation of an LFG extraction system and a final cover system at the City of Jonesboro (the City) Landfill facility located at Strawfloor Road in Jonesboro, AR (the Project).

Our Basic Services will generally consist of management of the construction of the LFG extraction system for the areas with Class 1 wastes and installation of the final cover system for the City's Class 4 Landfill, all as set forth in the printed Scope of Work for Basic Services (Exhibit A) and subject to the Standard Terms and Conditions (Exhibit B) which are attached to this letter. We will also furnish such Additional Services as you may request.

You are expected to furnish us with full information as to your requirements including any special or extraordinary considerations for the Project or special services needed and also to make available all pertinent existing data. In addition, we request that you provide information concerning the potential health and/or physical hazards present at the facility to which FTN employees could be exposed. This information (i.e., Material Safety Data Sheets, etc.) is needed to ensure FTN's compliance with the Occupational Safety and Health Administration (OSHA) Hazard Communication Standard.

Our fee for Basic Services will be based on time and materials using the Client Rates in Exhibit C for services rendered by our principals and employees engaged directly on the Project. The total fee for Basic Services will not exceed \$95,000 without prior approval from you. Any Additional Services will be charged on the basis of time and materials (Exhibit C).

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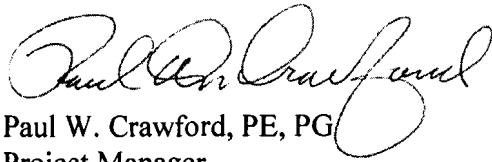
We will bill you monthly for Services and Reimbursable Expenses with invoices to be paid within 30 days. The above financial arrangements are on the basis of prompt payment of our bills and the orderly and continuous progress of the Project. We expect to start our services immediately after receipt of your acceptance of this proposal.

If there are protracted delays for reasons beyond our control, we would expect to negotiate with you an equitable adjustment of our compensation taking into consideration the impact of such delays including but not limited to changes in price indices and pay scales applicable to the period when services are in fact being rendered.

This proposal, which includes Exhibits A, B, and C consisting of 6 pages, represents the entire understanding between you and us in respect of the Project and may only be modified in writing signed by both of us. If it satisfactorily sets forth your understanding of our agreement, we would appreciate your signing the enclosed copy of this letter in the space provided below and returning it to us. This proposal will be open for acceptance until July 1, 2006 unless changed by us in writing.

Thank you very much for the opportunity to present this proposal. Please do not hesitate to call me or Mark S. Koch, REM at (501) 225-7779 if you have any questions relating to this proposal or additional services offered by FTN.

Respectfully submitted,  
FTN ASSOCIATES, LTD.




Paul W. Crawford, PE, PG  
Project Manager

Accepted this 30<sup>th</sup> day  
of June, 2006

PWC/bls

Attachments

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## **EXHIBIT A**

### **Scope of Work for Construction Management Services Installation of Landfill Gas Extraction System and Final Cover System City of Jonesboro Landfill Facility Strawfloor Road, Jonesboro, AR**

Attached to and made a part of the Letter Agreement dated June 1, 2006 between FTN Associates, Ltd. (FTN) and City of Jonesboro (the Client) in respect to the project described therein. The project objective, specific tasks, and project assumptions are summarized below.

#### **PROJECT OBJECTIVE**

The objective of the Project is to construction management services for:

- The installation of a landfill gas (LFG) extraction system in the areas where Class 1 wastes were disposed at the City of Jonesboro Landfill facility on Strawfloor Road.
- The installation of a final cover system for the Class 4 landfill portion of the landfill facility.

#### **PROJECT TASKS**

The specific tasks for the Project are described below:

##### **TASK 1 – CONSTRUCTION MANAGEMENT**

FTN will provide construction management services for the two construction projects to be conducted at the City of Jonesboro Landfill facility. These services will include:

1. Planning the construction projects with the Client to develop a schedule and preliminary budgets for the two construction projects.
2. Reviewing design information for the two construction projects and providing recommendations for modifications, if necessary.
3. Evaluating and selecting qualified contractors for the two projects.
4. Assisting the Client with contracting of the work.
5. Managing the construction including coordination of the work, conducting progress meetings with the contractors and the Client, reviewing and approving pay requests, resolving construction issues, and providing progress reports to the Client.

##### **TASK 2 – PROJECT COORDINATION**

FTN will provide general project management including coordination with the Client under this task. Preparation of progress reports and invoicing will also be completed under this task.



## **ASSUMPTIONS**

- No mark up on subcontractors will be charged.
- Costs for construction quality assurance and system start up services provided by FTN for the two construction projects will be under a separate contract with the Client. This contract does cover management and coordination costs for both contracts
- FTN will provide the Client with the opportunity to review qualifications of the chosen subcontractors prior to subcontract execution.
- Any bonding or additional project insurance required by the Client for this Project will be billed to the Client on a cost plus 5% basis.

## EXHIBIT B

### Standard Terms and Conditions For FTN Contracts

1. Standard of Care The services provided by FTN shall be performed in accordance with generally accepted professional practice at the time when and the place where the services are rendered.
2. Independent Contractor FTN is an independent contractor and not an employee or agent of CLIENT. CLIENT is not responsible for any of its activities. Any taxes, licenses, permits, required filing of forms or any other conditions imposed upon or required to render FTN Services shall be satisfied by FTN at FTN's expense.
3. Insurance FTN shall procure and maintain insurance for protection from claims under workers' compensation acts. FTN shall procure and maintain liability insurance against claims based on FTN's negligence for damages because of bodily injury including personal injury, sickness or disease or death of any and all employees or of any person other than such employees, and from claims or damages based on FTN's negligence because of injury to or destruction of property including loss of use resulting therefrom.
4. Indemnification
  - a. FTN does hereby indemnify and save harmless CLIENT from and against any and all liability and claims of liability of any and every kind and nature, including without limitation bodily injury, death and property damage, arising out of any negligent act by FTN, and FTN, at FTN's sole expense, shall handle all such claims, defend all lawsuits filed against CLIENT therein, and reimburse CLIENT in cash for all reasonable expense incurred by CLIENT on account thereof, provided, that if CLIENT elects to retain independent counsel, FTN shall reimburse CLIENT for all costs reasonably incurred by CLIENT to defend itself through attorneys of CLIENT's choice. There is hereby excepted from the foregoing any and all liability and claims of liability solely attributable to acts of CLIENT's direct payroll employees, and there is hereby further excepted from the foregoing any and all liability and claims of liability for environmental pollution which are not the result of negligence on the part of FTN in FTN's performance of this contract.
  - b. CLIENT does hereby indemnify and save harmless FTN from and against any and all liability and claims of liability of any and every kind and nature including without limitation bodily injury, death, property damage and claims for environmental pollution which are not the result of negligence on the part of FTN in FTN's performance of this contract, and CLIENT, at CLIENT's sole expense, shall handle all such claims, defend all lawsuits filed against FTN on account thereof, pay all judgments rendered against FTN therein, and reimburse FTN in cash for all reasonable expense incurred by FTN on

account thereof, provided, that if FTN elects to retain independent counsel, CLIENT shall reimburse FTN for all costs reasonably incurred by FTN to defend itself through attorneys of FTN's choice.

5. Electronic Deliverables Any use or reuse of original or altered computer files by CLIENT or others without written verification by FTN for purposes other than for the specific purpose intended will be at CLIENT's risk and full legal responsibility. Furthermore, CLIENT will, to the fullest extent permitted by law, indemnify and hold FTN harmless from any and all claims, suits, liability, demands, or costs arising out of or resulting there from. Any verification of such adaptation by CLIENT will entitle FTN to additional compensation at the then current rate.

The submitted data files are intended to work only as described. The files are compatible only with the software and operating platform described. FTN makes no warranty as to the compatibility of these files for versions of the software other than for those stated. FTN is not responsible for uses of the data outside of or beyond the scope of the Agreement.

Because data stored on electronic media can deteriorate undetected or can be modified without FTN's knowledge, CLIENT agrees that FTN will not be held liable for the completeness or correctness of the electronic media, with respect to its originally intended use as defined in the agreement, after an acceptance period of 30 days after delivery of the electronic files. FTN stands by the accuracy of sealed drawings that accompany submittals.

The electronic files are submitted to CLIENT for a 30-day Acceptance Period. During this period, CLIENT may review and examine these files; any errors, relative to the intended use of the files, detected during this time will be corrected by FTN as part of the basic agreement. Any changes requested after the Acceptance Period will be considered additional services to be performed on a time and materials basis, at the then current rates plus terms and conditions.

6. Termination This agreement may be terminated at any time, for any cause by either party upon thirty days written notice to the other party. In such event, CLIENT shall forthwith pay FTN in full for all work previously authorized and performed prior to effective date of termination. If no notice of termination is given, relationships and obligations created by this Agreement shall be terminated upon completion of all applicable requirements of this Agreement.
7. Assignment This Agreement shall not be assigned by FTN to any other party unless prior written approval is obtained from CLIENT. This Agreement shall be binding upon all parties hereto and their respective heirs, executors, administrators, successors, and assigns.
8. Limit of Liability It is understood that any and all professional liabilities incurred by FTN throughout the course of rendering professional services on this Project shall be limited to a maximum of the net fee received by FTN, not including reimbursable expenses and subconsultants, for all services rendered on the Project.

9. Confidentiality of Information No information concerning this Project shall be released by FTN.
10. Precedence These Standard Terms and Conditions shall take precedence over any inconsistent or contradictory provisions contained in any proposal, contract, purchase order, requisition notice to proceed, or like document regarding FTN's services.
11. Severability If any of these Standard Terms and Conditions shall be finally determined to be invalid or unenforceable in whole or part, the remaining provisions hereof shall remain in full force and effect, and be binding upon the parties hereto. The parties agree to reform this Agreement to replace any such invalid or unenforceable provision with a valid and enforceable provision that comes as close as possible to the intention of the stricken provision.
12. Survival These Standard Terms and Conditions shall survive the completion of the services under this Agreement and the termination of this Agreement for any cause.
13. Controlling Law This Agreement is to be governed by and construed in accordance with the laws of the State of Arkansas.

## EXHIBIT C

### Existing Client Rates 2006 Fee Schedule<sup>1</sup> - FTN Associates, Ltd.

<u>Labor Category</u>	<u>Hourly Rate</u>
Professional 7	\$ 139.00
Professional 6	124.00
Professional 5	110.00
Professional 4	101.00
Professional 3	90.00
Professional 2	80.00
Professional 1	70.00
Technician 4	72.00
Technician 3	61.00
Technician 2	54.00
Technician 1	39.00
Word Processing	47.00

#### Direct Expenses

All direct project expenses will be invoiced at cost plus 10 percent. Direct project expenses include such items as travel, meals, lodging, shipping, supplies, consultants, subcontractors, etc. Vehicle mileage will be charged at standard IRS rates.

A charge of 2 percent is applied to the total labor amount to cover communication charges and computer expenses associated with computer applications, data storage and backup.

Should back-up data be requested for reimbursable expenses, it will be provided for an administrative fee.

#### Payment Terms

Unless other arrangements are made in writing invoicing will be monthly for services completed. Payment is due in full within 30 days of invoice. A service charge of 1½ percent per month will be charged on all balances over 30 days.

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<sup>1</sup>Effective January 1, 2006 - December 31, 2006

