**PROFESSIONAL SERVICES AGREEMENT – ENGINEERING SERVICES**

This Professional Services Agreement (this “Agreement”) is made and entered into effective on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2023 (the “Effective Date”) between City of John Day (“City”), an Oregon municipal corporation, whose address is 450 E Main Street, John Day, Oregon 97845, and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Engineer”), whose address is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

RECITAL:

On \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, City issued a request for proposals (“RFP”) concerning a certain recycled wastewater distribution project (the “Project”). In response to the RFP, Engineer submitted a proposal (the “Proposal”). City desires to retain Engineer to perform certain engineering and related services concerning the Project. Engineer is willing to perform engineering and related services for and concerning the Project subject to and in accordance with the terms and conditions contained in this Agreement.

AGREEMENT:

NOW, THEREFORE, in consideration of the parties’ mutual obligations contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Engineering Services.

 1.1 Services; Standards. Subject to the terms and conditions contained in this Agreement, Engineer will perform the following engineering services concerning the Project for and on behalf of City (collectively, the “Services”): (a) those certain engineering services described on the scope of services attached hereto as Schedule 1.1; (b) all other necessary or appropriate services customarily provided by Engineer in connection with its performance of those services described on the attached Schedule 1.1 (the “Scope of Work”); and (c) such other engineering and related services requested by City’s city manager from time to time. Engineer will (w) consult with and advise City on all matters concerning the Services reasonably requested by City, (x) communicate all matters and information concerning the Services to City’s city manager (or his or her designee) and perform the Services under the general direction of City’s city manager (or his or her designee), (y) devote such time and attention to the performance of the Services as City deems necessary or appropriate, and (z) perform the Services to the best of Engineer’s ability. Engineer acknowledges and agrees that City may cause or direct other persons or contractors to provide services for and on behalf of City that are the same or similar to the Services provided by Engineer under this Agreement.

 1.2 Schedule; Condition Precedent. The Services will be completed expeditiously, in a timely manner, and in accordance with the schedule identified in the Scope of Work. Notwithstanding anything contained in this Agreement to the contrary, City’s performance of its obligations under this Agreement is conditioned on Engineer’s performance of its obligations under this Agreement, including, without limitation, those Engineer obligations identified under Section 4.4. City has relied on the representations, warranties, and covenants contained in Engineer’s Proposal when selecting Engineer to perform the Services. Engineer represents, warrants, and covenants to City that the representations, warranties, and covenants contained in the Proposal are true and correct in all respects.

 1.3 Grant Documents. City anticipates that City will receive certain water project grant funds (the “Grant”) from the Oregon Water Resources Department (“Grantor”). City will use a portion of the Grant to pay for the Services. As a condition to City’s receipt of the Grant, City and Grantor will enter into certain grant and other contract documents concerning, among other things, the Project and City’s use of the Grant (individually and collectively, the “Grant Document(s)”). Notwithstanding anything contained in this Agreement to the contrary, Engineer will perform the Services subject to and in accordance with the terms and conditions contained in the Grant Documents. Prior to the Effective Date, Engineer had the opportunity to ask questions and receive answers concerning the Grant and Grant Documents. Engineer has obtained all information Engineer deems necessary or appropriate concerning the Grant and Grant Documents.

 1.4 City Responsibilities. Engineer will work closely with City, subconsultants, and community stakeholders during performance of the Services. Engineer will provide City the opportunity to review and comment on delivered documents and make decisions concerning material issues. Upon Engineer’s request, City will provide Engineer maps, records, reports, correspondence, and any other information and/or documentation concerning the Services reasonably requested by Engineer from time to time. City will pay for any agency review fees required by local, state, and/or federal authorities.

2. Compensation.

 2.1 Compensation. Subject to the terms and conditions contained in this Agreement, in consideration of Engineer’s timely performance of the Services in accordance with this Agreement, City will pay Engineer at the hourly rates identified in the fee schedule attached as Schedule 2.1. Engineer will submit monthly invoices to City concerning the Services performed by Engineer during the immediately preceding month (each an “Invoice”). Each Invoice will contain the following information: (a) a summary of the Services performed by Engineer (and by whom); (b) the number of hours (or fraction thereof) each person spent to perform the Services; (c) the applicable fee(s) for performing the Services; and (d) all other information reasonably requested by City. City will pay the amount due under each Invoice within thirty (30) days after City has reviewed and approved the Invoice. No compensation will be paid by City for any portion of the Services not performed. City’s payment will be accepted by Engineer as full compensation for performing the Services. Notwithstanding anything contained in this Agreement to the contrary, total compensation payable by City under this Agreement for the performance of the Services will not exceed $\_\_\_\_\_\_.00 without first obtaining City’s prior written consent.

 2.2 No Benefits; No Reimbursement. City will not provide any benefits to Engineer, and Engineer will be solely responsible for obtaining Engineer’s own benefits, including, without limitation, insurance, medical reimbursement, and retirement plans. Engineer will provide, at Engineer’s cost and expense, all materials, equipment, and supplies necessary or appropriate to perform the Services. City will not reimburse Engineer for any expenses Engineer incurs to perform the Services.

3. Relationship.

 3.1 Independent Contractor. Engineer is an independent contractor of City. Engineer is not an employee of City. Engineer will be free from direction and control over the means and manner of performing the Services, subject only to the right of City to specify the desired results. This Agreement does not create an agency relationship between City and Engineer and does not establish a joint venture or partnership between City and Engineer. Engineer does not have the authority to bind City or represent to any person that Engineer is an agent of City. Engineer has the authority to hire other persons to assist Engineer in performing the Services (and has the authority to fire such persons).

 3.2 Taxes; Licenses. City will not withhold any taxes from any payments made to Engineer, and Engineer will be solely responsible for paying all taxes arising out of or resulting from Engineer’s performance of the Services, including, without limitation, income, social security, workers’ compensation, and employment insurance taxes. Engineer will be solely responsible for obtaining all licenses, approvals, and certificates necessary or appropriate to perform the Services.

4. Representations; Warranties; Covenants.

 In addition to any other Engineer representation, warranty, and/or covenant made in this Agreement, Engineer represents, warrants, and covenants to City as follows:

 4.1 Authority; Binding Obligation; Conflicts. Engineer is duly organized, validly existing, and in good standing under applicable Oregon law. Engineer has full power and authority to sign and deliver this Agreement and to perform all of Engineer’s obligations under this Agreement. This Agreement is the legal, valid, and binding obligation of Engineer, enforceable against Engineer in accordance with its terms. The signing and delivery of this Agreement by Engineer and the performance by Engineer of all of Engineer’s obligations under this Agreement will not (a) breach any agreement to which Engineer is a party, or give any person the right to accelerate any obligation of Engineer, (b) violate any law, judgment, or order to which Engineer is subject, or (c) require the consent, authorization, or approval of any person, including, without limitation, any governmental body.

 4.2 Quality of Services. Engineer will perform the Services to the best of Engineer’s ability, diligently, in good faith, in a professional manner, free from errors and/or deficiencies, and consistent with the terms and conditions contained in this Agreement. The Services will be performed in accordance with the Laws (as defined below). Engineer will be solely responsible for the Services. Engineer will make all decisions called for promptly and without unreasonable delay. All materials and documents prepared by Engineer will be accurate, complete, unambiguous, prepared properly, and in compliance with the Laws.

 4.3 Insurance. During the term of this Agreement, Engineer will obtain and maintain, in addition to any other insurance required under this Agreement, the following minimum levels of insurance: (a) general liability insurance for all losses or claims arising out of or related to Engineer’s performance of its obligations under this Agreement (including, without limitation, damages as a result of death or injury to any person or destruction or damage to any property) with limits of no less than $2,000,000 per occurrence, $4,000,000 in the aggregate; (b) comprehensive automobile liability insurance for all owned, non-owned, and hired vehicles that are or may be used by Engineer in connection with Engineer’s performance of the Services with limits of no less than $2,000,000 combined single limit; (c) professional liability insurance (errors and omissions insurance) with limits of no less than $3,000,000 per occurrence, $5,000,000 in the aggregate; and (d) workers’ compensation insurance in form and amount sufficient to satisfy the requirements of applicable Oregon law. Each liability insurance policy required under this Agreement will be in form and content satisfactory to City, will list City and each City Representative (as defined below) as an additional insured (except for Engineer’s professional liability insurance policy), and will contain a severability of interest clause; the workers’ compensation insurance will contain a waiver of subrogation in favor of City. The insurance Engineer is required to obtain under this Agreement may not be cancelled without ten (10) days’ prior written notice to City. Engineer’s insurance will be primary and any insurance carried by City will be excess and noncontributing. Engineer will furnish City with appropriate documentation evidencing the insurance coverage (and provisions) and endorsements Engineer is required to obtain under this Agreement upon Engineer’s execution of this Agreement and at any other time requested by City. If Engineer fails to maintain the insurance required under this Agreement, City will have the option, but not the obligation, to obtain such coverage with costs to be reimbursed by Engineer immediately upon City’s demand.

 4.4 Compliance with Laws. Engineer will comply and perform the Services subject to and in accordance with the Laws. Without otherwise limiting the generality of the immediately preceding sentence, Engineer will comply with each obligation applicable to Engineer and/or this Agreement under ORS 279B.220, 279B.225, 279B.230, and 279B.235, which statutes are incorporated herein by reference. Prior to the Effective Date, Engineer obtained all licenses, approvals, and/or certificates necessary or appropriate to perform the Services, including, without limitation, a business license from City and an unexpired certificate issued by the Oregon Department of Administrative Services under ORS 279A.167. For purposes of this Agreement, the term “Law(s)” means all applicable federal, state, and local laws, regulations, restrictions, orders, codes, rules, and/or ordinances related to or concerning Engineer, this Agreement, and/or the Services, including, without limitation, all applicable City ordinances, resolutions, policies, regulations, orders, restrictions, and guidelines, all as now in force and/or which may hereafter be amended, modified, enacted, and/or promulgated.

 4.5 Indemnification. To the fullest extent permitted by the Laws, Engineer will defend, indemnify, and hold City, and each present and future City officer, employee, agent, and representative (collectively, “City’s Representatives”), harmless for, from, and against all claims, actions, proceedings, damages, liabilities, injuries, losses, and expenses of every kind, whether known or unknown, including, without limitation, attorney fees and costs, resulting from or arising out of the following: (a) damage, injury, and/or death to person or property caused directly or indirectly by Engineer (and/or Engineer’s directors, officers, shareholders, members, managers, partners, employees, agents, representatives, and/or contractors); (b) Engineer’s failure to pay any tax arising out of or resulting from performance of the Services; and/or (c) Engineer’s breach and/or failure to perform any Engineer representation, warranty, covenant, and/or obligation contained in this Agreement. Engineer’s indemnification obligations provided in this Section 4.5 will survive the termination of this Agreement.

 4.6 Assignment of Studies and Reports. Engineer will assign all studies, reports, data, documents, and/or materials of any kind produced under this Agreement (collectively, the “Deliverables”) to City upon the earlier of City’s request or termination of this Agreement. All copies of the materials provided to City will become the property of City who may use them without Engineer’s permission for any proper purpose relating to the Services, including, without limitation, additions to or completion of the Services; provided, however, any City modification and/or use of the Deliverables for any non-Project related purpose will be at City’s risk and expense. Engineer will defend all suits or claims for infringement of patent, trademark, and/or copyright for which Engineer is responsible (including, without limitation, any claims which may be brought against City), and Engineer will be liable to City for all losses arising therefrom, including costs, expenses, and attorney fees.

 4.7 Records. Engineer will maintain complete and accurate records concerning all Services performed, the number of hours each person spent to perform the Services, and all documents produced under this Agreement for a period of three years after termination of this Agreement. Engineer’s records will be maintained in accordance with sound accounting practices. Engineer will provide City access to any Engineer books, documents, papers, and/or records which are pertinent to this Agreement and/or the Services. Engineer will maintain all books, documents, papers, and records generated under this Agreement for a period no less than three years commencing on the date of City’s final payment to Engineer under this Agreement.

 4.8 Confidential Information. During the term of this Agreement, and at all times thereafter, Engineer will maintain all Confidential Information (as defined below) in the strictest confidence and will not directly or indirectly use, communicate, and/or disclose any Confidential Information to any person, or remove or make reproductions of any Confidential Information, except that Engineer may (a) use Confidential Information to perform the Services to the extent necessary, and (b) communicate or disclose Confidential Information in accordance with a judicial or other governmental order or as required by applicable law, but only if Engineer promptly notifies the city manager of the order and complies with any applicable protective or similar order. Engineer will promptly notify the city manager of any unauthorized use, communication, and/or disclosure of any Confidential Information and will assist City in every way to retrieve any Confidential Information that was used, communicated, and/or disclosed by Engineer and will exert Engineer’s best efforts to mitigate the harm caused by the unauthorized use, communication, and/or disclosure of any Confidential Information. Upon the earlier of City’s request or termination of this Agreement, Engineer will immediately return to City all documents, instruments, and/or materials containing any Confidential Information accessed or received by Engineer, together with all copies and summaries of such Confidential Information. If requested by City, Engineer will execute a written certification satisfactory to City pursuant to which Engineer will represent and warrant that Engineer has returned all Confidential Information to City in accordance with the terms of this Agreement. Notwithstanding anything contained in this Agreement to the contrary, the terms of this Agreement do not operate to transfer any ownership or other rights in or to the Confidential Information to Engineer or any other person. For purposes of this Agreement, the term “Confidential Information” means all documentation, information, and/or materials identified by City as confidential and/or any documentation, information, and/or materials relating to or concerning City’s future plans, business affairs, employment, legal, and litigation matters that need to be protected from improper disclosure, in whatever form (e.g., hard and electronic copies, etc.), that is received or accessed by Engineer; provided, however, the term “Confidential Information” does not include City’s public records which are non-exempt public records under applicable federal, state, and/or local laws.

5. Term; Termination.

 5.1 Term of Agreement. Subject to the terms and conditions contained in this Agreement, the term of this Agreement commenced on the Effective Date and will remain in full force and effect until Engineer’s completion of the Services, unless sooner terminated or extended as provided in this Agreement. Notwithstanding anything contained in this Agreement to the contrary, (a) this Agreement may be terminated at any time by the mutual written agreement of City and Engineer, and/or (b) City may terminate this Agreement for convenience and without cause by giving ten (10) days’ prior written notice of such termination to Engineer. Upon receipt of the notice of termination, except as explicitly directed by City, Engineer must immediately discontinue performing any Services.

 5.2 Termination for Cause. Notwithstanding anything contained in this Agreement to the contrary, City may terminate this Agreement immediately upon notice to Engineer upon the happening of any of the following events: (a) Engineer engages in any form of dishonesty or conduct that reflects adversely on the reputation or operations of City; (b) Engineer fails to comply with any applicable law related to Engineer’s independent contractor relationship with City; (c) problems occur in connection with the performance of the Services; and/or (d) Engineer breaches and/or otherwise fails to perform any Engineer representation, warranty, covenant, and/or obligation contained in this Agreement. The determination as to whether any of the aforementioned events have occurred will be made by City in City’s sole discretion.

 5.3 Consequences of Termination. Upon termination of this Agreement, City will not be obligated to reimburse or pay Engineer for any continuing contractual commitments to others or for penalties or damages arising from the cancellation of such contractual commitments. Notwithstanding anything contained in this Agreement to the contrary, termination of this Agreement by City will not constitute a waiver or termination of any rights, claims, and/or causes of action City may have against Engineer. Within a reasonable period of time after termination of this Agreement (but in no event later than five days after termination), Engineer will deliver to City all materials and documentation, including raw or tabulated data and work in progress, related to or concerning the Services.

6. Miscellaneous.

 6.1 Severability; Assignment; Binding Effect. Each provision contained in this Agreement will be treated as a separate and independent provision. The unenforceability of any one provision will in no way impair the enforceability of any other provision contained herein. Any reading of a provision causing unenforceability will yield to a construction permitting enforcement to the maximum extent permitted by applicable law. Engineer will not assign this Agreement to any person without City’s prior written consent. Subject to the immediately preceding sentence, this Agreement will be binding on the parties and their respective heirs, personal representatives, successors, and permitted assigns, and will inure to their benefit. This Agreement may be amended only by a written agreement signed by each party.

 6.2 Attorney Fees; Dispute Resolution. If any arbitration or litigation is instituted to interpret, enforce, and/rescind this Agreement, including, without limitation, any proceeding brought under the United States Bankruptcy Code, the prevailing party on a claim will be entitled to recover with respect to the claim, in addition to any other relief awarded, the prevailing party’s reasonable attorney fees and other fees, costs, and expenses of every kind, including, without limitation, costs and disbursements specified in ORCP 68 A(2), incurred in connection with the arbitration, the litigation, any appeal or petition for review, the collection of any award, or the enforcement of any order, as determined by the arbitrator or court. If any claim, dispute, or controversy arising out of or related to this Agreement occurs (a “Dispute”), City and Engineer will exert their best efforts to seek a fair and prompt negotiated resolution of the Dispute and will meet at least once to discuss and seek a resolution of the Dispute. If the Dispute is not resolved by negotiated resolution, either party may initiate a suit, action, arbitration, or other proceeding to interpret, enforce, and/or rescind this Agreement.

 6.3 Governing Law; Venue. This Agreement is governed by the laws of the State of Oregon, without giving effect to any conflict-of-law principle that would result in the laws of any other jurisdiction governing this Agreement. Any action or proceeding arising out of this Agreement will be litigated in courts located in Grant County, Oregon. Each party consents and submits to the jurisdiction of any local, state, or federal court located in Grant County, Oregon.

 6.4 Attachments; Further Assurances; Notices. Any exhibits, schedules, instruments, documents, and other attachments referenced in this Agreement are part of this Agreement. The parties will sign other documents and take other actions reasonably necessary to further effect and evidence this Agreement. Time is of the essence with respect to Engineer’s performance of its obligations under this Agreement. All notices or other communications required or permitted by this Agreement must be in writing, must be delivered to the parties at the addresses set forth above, or any other address that a party may designate by notice to the other party, and are considered delivered upon actual receipt if delivered personally, by fax or email transmission (with electronic confirmation of delivery), or by a nationally recognized overnight delivery service, or at the end of the third business day after the date of deposit if deposited in the United States mail, postage pre-paid, certified, return receipt requested.

 6.5 Waiver; Entire Agreement. No provision of this Agreement may be modified, waived, or discharged unless such waiver, modification, or discharge is agreed to in writing by City and Engineer. No waiver of either party at any time of the breach of, or lack of compliance with, any conditions or provisions of this Agreement will be deemed a waiver of other provisions or conditions hereof. This Agreement contains the entire agreement and understanding between the parties with respect to the subject matter of this Agreement and contains all the terms and conditions of the parties’ agreement and supersedes any other oral or written negotiations, discussions, representations, or agreements. Engineer has not relied on any promises, statements, representations, or warranties except as set forth expressly in this Agreement.

 6.6 Person; Interpretation; Execution. For purposes of this Agreement, the term “person” means any natural person, corporation, limited liability company, partnership, joint venture, firm, association, trust, unincorporated organization, government or governmental agency or political subdivision, or any other entity. All pronouns contained herein and any variations thereof will be deemed to refer to the masculine, feminine, or neutral, singular or plural, as the identity of the parties may require. The singular includes the plural and the plural includes the singular. The word “or” is not exclusive. The words “include,” “includes,” and “including” are not limiting. The titles, captions, or headings of the sections herein are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement. The parties may execute this Agreement in separate counterparts, each of which when executed and delivered will be an original, but all of which together will constitute one and the same instrument. Facsimile or email transmission of any signed original document will be the same as delivery of an original. At the request of either party, the parties will confirm facsimile or email transmitted signatures by signing and delivering an original document.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed and effective for all purposes as of the Effective Date.

**CITY: ENGINEER:**

City of John Day, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

an Oregon municipal corporation \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

By: By:

Its: Its:

Federal Tax Id. No.: \_\_\_\_\_\_\_\_\_\_\_ Federal Tax Id. No.:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Schedule 1.1

Scope of Services

[to be inserted]

Schedule 2.1

Fee Schedule

[to be inserted]