ATTACHMENT 2

AGREEMENT
BETWEEN

ORANGE WATER AND SEWER AUTHORITY,
a political subdivision of the State of North Carolina, its successors and assigns, hereinafter referred to as “Owner” through its Board of Directors,

and

CONSULTANT NAME
its successors and assigns, hereinafter referred to as “Consultant”

IN ORANGE COUNTY NORTH CAROLINA

FOR
CONSULTING SERVICES

W I T N E S S E T H :

WHEREAS, Owner intends to design the replacement of 6-inch and 8-inch AC water mains throughout the Ridgefield and Briarcliff neighborhoods;

WHEREAS, Owner requires certain consulting services in connection with the project (the Services); and,

WHEREAS, Consultant is prepared to provide the Services;

NOW THEREFORE, in consideration of the mutual terms and conditions, promises and payments contained in this Agreement, Owner and Consultant agree as follows:

ARTICLE 1 - TIME FOR PERFORMANCE

1.1 The effective date of this Agreement is ______________ and shall remain in effect until terminated. Consultant shall perform the services described in Attachment B (herein, the Project Scope of Services) to this Agreement. Owner will issue a separate Notice to Proceed for the work, and the work shall proceed according to the schedule as described in the Project Scope of Services. Any work initiated by Consultant prior to the Owner’s written authorization of the Project will be at the Consultant’s sole risk.

ARTICLE 2 - GOVERNING LAW

2.1 This Agreement shall be governed by the laws of the state of North Carolina. Any disputes which may arise out of this agreement shall be filed in the North Carolina Court of Justice, The Superior Court of Orange County NC.
ARTICLE 3 - SERVICES TO BE PERFORMED

3.1 Consultant shall perform the Services described in the Project Scope of Services as authorized under this Agreement. Consultant shall provide all services as set forth in the Project Scope of Services, including the necessary, incidental and related activities and services required and contemplated in the Consultant's level of effort.

3.2 Consultant and Owner acknowledge that the Scope of Services described for the Project does not delineate every detail and minor work task required to be performed by Consultant to complete the work authorized by the Scope of Services. If during the course of the performance of the services authorized by this Agreement, Consultant determines that work should be performed to complete the Project which is in the Consultant's opinion outside the level of effort originally anticipated, whether or not the Project Scope of Services identifies the work items, Consultant shall notify Contract Administrator in writing within 30 days and wait for Owner approval before proceeding with the work. If Consultant proceeds with said work without notifying the Contract Administrator, said work shall be deemed to be within the original level of effort described in the Project Scope of Services. Notice to the Contract Administrator does not constitute authorization or approval by Owner to perform the work. Performance of work by Consultant outside the originally anticipated level of effort without prior written Owner approval is at the Consultant's sole risk.

3.3 Upon mutual written agreement, the Project Scope of Services may be modified. The Owner and the Consultant may negotiate additional scopes of services, compensation, time of performance and other matters related to the project. If the Owner and Consultant cannot contractually agree, Owner shall have the right to immediately terminate negotiations at no cost to the Owner and to procure services from another source.

ARTICLE 4 - OWNER'S RESPONSIBILITIES

4.1 Owner shall be responsible for all matters described in the Project Scope of Services (Attachment B).

ARTICLE 5 - COMPENSATION AND METHOD OF PAYMENT

5.1 Owner agrees to pay Consultant as compensation for performance of services as described in the Project Scope of Services. Compensation may be as a lump sum or as maximum amount not-to-exceed. The maximum amount not-to-exceed method of compensation will utilize hourly billing rates established as part of this Agreement.

5.2 Consultant shall separately invoice for services rendered each month. Each project invoice shall reflect percentage of work completed to date and for the invoiced month. Invoices shall provide a detailed breakdown of hours worked, hourly billing rates by each individual, and the expenses attributable to the project during the period.

5.3 The Owner shall assign a Project CIP Number, as well as a Purchase Order Number for the Project to facilitate internal contract administration. Each Project Invoice must reference the assigned CIP Number and the Purchase Order Number for the Project and be sent directly to the Owner’s Project Manager as assigned. Payment terms shall be the net invoice amount within 30 days.

5.4 The hourly billing rates for this agreement are set forth in Attachment A to this agreement and
shall be used for work compensated on a maximum not-to-exceed basis. Beginning two years from the effective date of the agreement, billing rates may be amended annually upon mutual agreement of both parties and upon execution of formal contract amendment documenting the changes to Attachment A.

5.5 The reimbursable expenses for this agreement are set forth in Attachment A to this agreement and shall be used for maximum amount not-to-exceed compensation. Consultant shall be allowed to adjust expense items in accordance with changes in IRS criteria for deductible expenses.

5.6 Consultant shall keep such records and accounts and require any and all consultants and sub-consultants to keep records and accounts as may be necessary in order to record complete and correct entries as to personnel hours charged to the project and any expenses for which Consultant expects to be reimbursed. All books and records relative to the project shall be available at all reasonable times for examination and audit by Owner and shall be kept for a period of three (3) years after completion of all work pursuant to this Agreement. Incomplete or incorrect entries in such books and records shall be grounds for Owner's disallowance of any fees or expenses based upon such entries.

ARTICLE 6 - STANDARD OF CARE

6.1 General: Consultant shall exercise the same degree of care and diligence in the performance of the Services as is ordinarily exercised by a professional serving under similar circumstances.

ARTICLE 7 - LIABILITY AND INDEMNIFICATION

7.1 General: Having considered the potential liabilities that may exist during the performance of the Scope of Services, the benefits of the project, and the Consultant's fee for the Services, and in consideration of the promises contained in this Agreement, Owner and Consultant agree to allocate and limit such liabilities in accordance with this Article.

7.2 Indemnification by Consultant: Consultant agrees to indemnify and hold harmless Owner, its agents, and its employees from and against legal liability for all claims, losses, damages, and expenses to the extent such claims, losses, damages, or expenses are caused by Consultant's negligent acts, errors, or omissions. Consultant shall also be liable to Owner for the costs of defense including but not limited to attorney’s fees, litigation, mediation or arbitration, and any other expenses actually incurred by Owner in defense of third party claims arising out of damages caused by Consultant's negligence or fault.

7.3 Employee Claims: Consultant shall indemnify Owner against legal liability for damages arising out of claims by Consultant's employees to the extent such claims arise out of Consultant's negligent acts, errors or omissions.

7.4 Survival: Upon completion of all Services, obligations, and duties provided for in this Agreement, or if this Agreement is terminated for any reason, the terms and conditions of this Article shall survive.

ARTICLE 8 - INSURANCE

8.1 During the performance of the Services under this Agreement, Consultant shall maintain the minimum levels of insurance shown below and provide certificates of such coverage to Owner prior to performance. All policies must provide ten (10) days advance written notice to Owner in
the event of cancellation, expiration, or alteration.

8.1.1 General Liability Insurance, with a combined single limit of $1,000,000 for each occurrence and $1,000,000 in the aggregate.

8.1.2 Automobile Liability Insurance, with a combined single limit of $1,000,000 for each person and $1,000,000 for each accident.

8.1.3 Workers' Compensation Insurance in accordance with statutory requirements and Employers' Liability Insurance, with a limit of $500,000 for each occurrence.

8.1.4 Professional Liability Insurance, with a limit of $1,000,000 annual aggregate.

ARTICLE 9 - OWNERSHIP OF DOCUMENTS AND INTELLECTUAL PROPERTY

9.1 Except as otherwise provided herein, documents and reports prepared by Consultant as part of the Services shall become the property of Owner upon payment for same. All finished or unfinished documents, data studies, surveys, drawings, maps, models, photographs and reports prepared or provided by Consultant in connection with this Agreement become the property of the Owner, whether the projects are completed or not, and shall be delivered by Consultant to the Owner within ten (10) days after receipt of written notice and upon payment for same. Owner may use or transfer to others for use in OWASA’s service work products developed by Consultant in the course of its services for this Project, provided Consultant is credited with work in the development of that product. Consultant shall have no responsibility or liability for third party use authorized by OWASA. Consultant may not use or permit others to use any intellectual property rights of OWASA without OWASA’s prior express consent.

ARTICLE 10 - TERMINATION

10.1 This Agreement may be terminated by either party upon written notice in the event of substantial failure by the other party to perform in accordance with the terms of this Agreement. The nonperforming party shall have fifteen calendar days from the date of the termination notice to cure or to submit a plan for cure acceptable to the other party.

10.2 Owner may terminate or suspend performance of this Agreement for Owner's convenience upon written notice to Consultant. Consultant shall terminate or suspend performance of the Services on a schedule acceptable to Owner. If termination or suspension is for Owner's convenience, Owner shall pay Consultant for all the Services performed and termination or suspension expenses. Upon restart, an equitable adjustment shall be made to Consultant's compensation.

ARTICLE 11 - DELAY IN PERFORMANCE

11.1 Neither Owner nor Consultant shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the nonperforming party. For purposes of this Agreement, such circumstances include: floods; earthquakes; fire; epidemics; war, riots, and other civil disturbances; strikes, lockouts, and other labor disturbances; sabotage; judicial restraint; and the inability to procure permits, licenses, or authorizations from any local, state, or federal agency for which such permits have been properly applied for in accordance with the specified Project Schedule for any of the supplies, materials, accesses, or services required to be provided by either Owner or Consultant under this Agreement.
11.2 Should such circumstances occur, the nonperforming party shall, within a reasonable time of being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement. Consultant shall be entitled to an equitable adjustment in schedule and compensation in the event such circumstances occur.

ARTICLE 12 - COMMUNICATIONS

12.1 Any communication required by this Agreement shall be made in writing to the address specified in the Project Scope of Services. The Contract Administrator for the Owner shall be specified in the Project Scope of Services. Nothing contained in this Article or the Project Scope of Services shall be construed to restrict the transmission of routine communications between representatives of Owner and Consultant.

ARTICLE 13 - WAIVER

13.1 No waiver by either Owner or Consultant of any breach of this Agreement shall be of any effect unless it shall be written and signed by the waiving party. Such a waiver shall not affect the waiving party's rights with respect to any other or further breach.

ARTICLE 14 - SEVERABILITY

14.1 The invalidity, illegality, or unenforceability of any provision of this Agreement, or the occurrence of any event rendering any portion or provision of this Agreement void, shall in no way affect the validity or enforceability of any other portion or provision of this Agreement. Any void provision shall be deemed severed from this Agreement, and the balance of this Agreement shall be construed and enforced as if this Agreement did not contain the particular portion or provision held to be void. The parties further agree to amend this Agreement to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provisions of this Article shall not prevent this entire Agreement from being void should a provision which is of the essence of this Agreement be determined void.

ARTICLE 15 - SUCCESSORS AND ASSIGNS

15.1 Owner and Consultant each binds itself and its directors, officers, partners, successors, executors, administrators, assigns, and legal representatives to the other party to this Agreement and to the directors, officers, partners, successors, executors, administrators, assigns, and legal representatives of such other party in respect to all provisions of this Agreement.

ARTICLE 16 - ASSIGNMENT

16.1 Neither Owner nor Consultant shall assign any rights or duties under this Agreement without the prior written consent of the other party. Unless otherwise stated in the written consent to an assignment, no assignment will release or discharge the assignor from any obligation under this Agreement. Nothing contained in this Article shall prevent Consultant from employing independent consultants, associates, and subcontractors to assist in the performance of the Services. Consultant will not employ subcontractors for the performance of the Services without the prior written approval of Owner, which approval shall not be unreasonably withheld. Consultant shall have the right to assign duties to any of Consultant’s related or affiliated companies.
ARTICLE 17 - THIRD PARTY RIGHTS

17.1 Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than Owner and Consultant.

ARTICLE 18 - MISCELLANEOUS

18.1 INTERPRETATION: The language of this Agreement has been agreed to by both parties to express their mutual intent and no rule of strict construction shall be applied against either party hereto. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. All personal pronouns used in this Agreement shall include the other gender, and the singular shall include the plural, and vice versa, unless the context otherwise requires. Terms such as “herein,” “hereof,” “hereunder,” and “hereinafter” refer to this Agreement as a whole and not to any particular sentence, paragraph, or section where they appear, unless the context otherwise requires. Whenever reference is made to a Section or Article of this Agreement, such reference is to the Section or Article as a whole, including all of the subsections of such Section unless the reference is made to a particular subsection or subparagraph of such Section or Article.

18.2 CONSULTANT'S STAFF: Consultant shall provide the key staff identified in their proposal for the Project as long as said key staff are in Consultant's employment.

18.2.1 Consultant will obtain prior written approval of Contract Administrator to change key staff members. Consultant shall provide Contract Administrator with such information as necessary to determine the suitability of proposed new key staff. Contract Administrator shall be reasonable in evaluating key staff qualifications.

18.2.2 If Contract Administrator desires to request removal of any of Consultant's staff, Contract Administrator shall first meet with Consultant and provide reasonable justification for said removal.

18.3 ENTIRE AGREEMENT: This Agreement, including all documents identified below, represents the entire understanding between the Owner and the Consultant as to this particular scope of work and shall supersede all prior and contemporaneous communications, representations, understandings, and Agreements relating to the subject matter hereof and may be amended only by written mutual Agreement of the parties.

18.4 ATTACHMENTS: Current listing of Attachments includes:

- Attachment A – Hourly Billing Rates and Reimbursable Expenses.
- Attachment B – Project Scope of Services.

ARTICLE 19 – PRE-EXISTING CONTAMINATION

19.1 Anything herein to the contrary not withstanding, title to, ownership of, and legal responsibility and liability for any and all pre-existing contamination shall at all times remain with Owner. “Pre-existing contamination” is any hazardous or toxic substance, material, or condition present at the project site or sites concerned which was not brought onto such site or sites by Consultant.

ARTICLE 20 – LIMITATIONS OF RESPONSIBILITY
20.1 Consultant shall not be responsible for: (1) construction means, methods, techniques, sequences, procedures, or safety precautions and programs in connection with the Project; (2) the failure of any contractor, subcontractor, vendor, or other participant, not under contract to Consultant, to fulfill contractual responsibilities to Owner or to comply with federal, state, or local laws, regulations, and codes; or (3) procuring permits, certificates, and licenses required for any construction unless such responsibilities are specifically assigned to Consultant in Scope of Services.

ARTICLE 21 – NON DISCRIMINATION CLAUSE

21.1 The Consultant shall not discriminate against any person on the grounds of race, color, national origin, sex, age, or handicap in administration of this Agreement. Nor shall any person be excluded from participation in, or be denied the benefits of any project designed under this Agreement on the grounds of race, color, national origin, sex, age, or handicap.

ARTICLE 22 – MINORITY BUSINESS PARTICIPATION

22.1 It is the policy of OWASA to provide minority businesses an equal opportunity to participate in all aspects of OWASA’s contract activities. Consultant shall comply with OWASA’s Minority Business Participation Outreach Plan and Guidelines.

ARTICLE 23 – E-VERIFY

23.1 Consultant shall comply with the requirements of Article 2 of Chapter 64 of the General Statutes. Further, if Consultant utilizes a subcontractor, Consultant shall require the subcontractor to comply with the requirements of Article 2 of Chapter 64 of the General Statutes.
IN WITNESS WHEREOF, Owner and Consultant have executed this Agreement.

OWNER:
ORANGE WATER AND SEWER AUTHORITY

BY: ________________________________
TITLE: EXECUTIE DIRECTOR
DATE: ______________________________

CONSULTANT:
CONSULTANT NAME

BY: ________________________________
TITLE: ______________________________
DATE: ______________________________

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act:

_____________________________  Stephen Winters
Date                                      Director of Finance and Customer Service
ATTACHMENT A

HOURLY BILLING RATES AND REIMBURSABLE EXPENSES

INTRODUCTION
The hourly billing rates are set forth below.

<table>
<thead>
<tr>
<th>Billing Category</th>
<th>Individual Name and Title</th>
<th>Hourly Billing Rate for the Agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Project Manager</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Discipline Engineer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Manager</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Engineer</td>
<td></td>
<td></td>
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<tr>
<td>Engineer</td>
<td></td>
<td></td>
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<tr>
<td>Engineering Associate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Technician</td>
<td></td>
<td></td>
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<tr>
<td>Technician</td>
<td></td>
<td></td>
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<tr>
<td>Administrative Assistant</td>
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<td></td>
</tr>
</tbody>
</table>

BILLING CATEGORY DEFINITIONS

The following table provides broad definitions for various Billing Categories. As a guideline, expected experience and duties for each of the categories have been included in the Billing Category Definitions. It is expected that in some instances the actual experience of an individual may be different than what is required for the corresponding Billing Category. In all such cases, Consultant will provide appropriate justification and seek approval from the Owner.

<table>
<thead>
<tr>
<th>Principal</th>
<th>This is the firm’s corporate officer. In some cases “Principal” may be the owner or one of the partners of the firm, and is generally in a position to make all the corporate level decision for the firm as it pertains to this Agreement.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Project Manager</td>
<td>Person in this position provides senior level project management, provides high level of professional input for the project and is generally responsible for conducting high level project review. This person has a Professional Engineering license in North Carolina and professional-level experience of over 15 years.</td>
</tr>
<tr>
<td>Position</td>
<td>Description</td>
</tr>
</tbody>
</table>
REIMBURSABLE EXPENSES

Reimbursable expenses for each individual project shall be clearly itemized by the Consultant. The following guidelines shall be used to develop these expenses:

1. Overtime at straight time rates shall apply for exempt employees to the extent the employee works more than 40 hours per week on Owner’s project.
2. Subcontracted services shall be based on Cost Plus 5%. Consultant shall obtain Owner’s approval before authorizing such services.
3. Cost of printing and reproducing drawings and bid documents, except for those included in the lump sum cost.
4. Cost for use of field equipment, safety equipment and field sampling equipment.
5. Cost of courier and express mail services.
6. Living and traveling expenses when Consultant’s employees are away from home on Owner’s project assignments. The following limitations shall apply:
   - Base room charges (excluding taxes and other fees) shall not exceed $119 per night.
   - Base rental car charges (excluding taxes and other fees) shall not exceed $60 per day.
   - Meal charges per individual shall not exceed $51 per day.

7. Automobile mileage to be reimbursed at rate established and updated by Internal Revenue Service.
ATTACHMENT B

PROJECT SCOPE OF SERVICES

Project Title: …

OWASA’s CIP #: …

Project Contract Administrators:

<table>
<thead>
<tr>
<th>OWASA</th>
<th>Allison Spinelli, P.E.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Engineering Manager – Capital Projects</td>
</tr>
<tr>
<td></td>
<td>Orange Water and Sewer Authority</td>
</tr>
<tr>
<td>400 Jones Ferry Road</td>
<td></td>
</tr>
<tr>
<td>Carrboro, NC 27510</td>
<td></td>
</tr>
<tr>
<td>Office: (919) 537-4229</td>
<td></td>
</tr>
<tr>
<td>Fax: (919) 968-4464</td>
<td></td>
</tr>
</tbody>
</table>

Project Background:

…

…

Project Scope:

Task 1 – Kickoff Meeting, Flow Monitoring and Data Collection

…

Task 2 - … …

…

Deliverables:

*Specify deliverables, number of copies, and format.*

Project Team:

The Project Team is as follows:

Key Team Members:

…

The OWNER will be notified in writing of changes to the project team members. Other staff may participate in the project in a minor role at Consultant’s discretion.
Project Schedule:

List durations for interim milestones and final completion in total number of days from Notice to Proceed.

Compensation:

Provide compensation basis (lump sum, cost ceiling) and subtotals by task.
Provide separate subtask breakdowns for projects above exemption limit, or as warranted.

Owner Responsibilities

Scope Exceptions, Additional Services, etc