



Bleyl & Associates
Project Engineering & Management

318 W. Highland
San Angelo, TX
76903

PROFESSIONAL SERVICES AGREEMENT

This AGREEMENT is by and between Tom Green County (CLIENT) and Bleyl & Associates (ENGINEER) who agree as follows: CLIENT engages ENGINEER to perform the services described in Part I ("Services") and ENGINEER agrees to perform the services for the compensation set forth in Part III. ENGINEER shall be authorized to commence the Services upon execution of this AGREEMENT. CLIENT and ENGINEER agree that this AGREEMENT and attachments referred to herein, constitute the entire AGREEMENT between them relating to the PROJECT.

NAME AND LOCATION OF PROJECT: Carlsbad Freshwater District
2014 Colonia Grant Project – TDA Contract No. 7214105
CONTACT NAME: Honorable Judge Steve Floyd
ADDRESS: 122 W. Beauregard, San Angelo, Texas 76903
PHONE: (325) 653-3318 FAX: (325) 659-3258

This AGREEMENT is valid if signed by CLIENT within 60 days of Attachment A: Scope of Service Date.

- I. **ENGINEER RESPONSIBILITIES:** ENGINEER shall perform or furnish the following services described under this AGREEMENT. Attachment A: Scope of Services Date: 3/24/2015. Other professional services which may or may not be required for the PROJECT are not provided by the ENGINEER. The CLIENT has made or shall make arrangement to obtain those services from a source other than the ENGINEER. Excluded services include: Wetlands identification and remediation, environmental, structural, archeological or historical site assessments or remediation services.
- II. **CLIENTS RESPONSIBILITIES:** CLIENT at its expense shall do the following in a timely manner so as not to delay the Services.
 1. **INFORMATION/REPORTS:** Furnish ENGINEER with all reports, studies, site characterizations, regulatory orders, and similar information in its possession relating to the PROJECT unless otherwise specified in Part I. ENGINEER may rely upon CLIENT furnished information without independent verification in performing the Services.
 2. **REPRESENTATIVE:** Designate a representative for the PROJECT who shall have the authority to transmit instructions, receive information, interpret and define CLIENT's policies, and make decisions with respect to the Services.
 3. **DECISIONS:** Provide all criteria and full information as to CLIENT requirements for the PROJECT, obtain (with ENGINEER assistance, if applicable) necessary approvals and permits, attend PROJECT-related meetings, provide interim reviews on an agreed-upon schedule, make decisions on PROJECT alternatives, and generally participate in the PROJECT to the extent necessary to allow ENGINEER to perform the Services.
- III. **COMPENSATION, BILLING AND PAYMENT:** CLIENT shall pay ENGINEER for services in accordance with the following Billing Schedule.
 1. Compensation for Services shall be in accordance with the Scope of Services by one or more of the following methods:
 - a) **Retainage:** The CLIENT shall make an initial payment as stated in Attachment A – Scope of Services upon execution of this AGREEMENT. This retainer shall be held by the ENGINEER and applied against the final invoice.
 - b) **Lump Sum Fee:** Fee for the services as specifically detailed in the Attachment A - Scope of Services. Fee does not include services not specifically listed or reimbursable expenses as described in Section III (2). Fee shall be invoiced monthly based on an estimate by the ENGINEER of the percentage of completion of each work item.
 - c) **Percentage of Construction Cost:** Fee calculated based on an agreed percentage of Construction Cost. Construction Cost shall be defined as the ENGINEER's Opinion of Cost unless and until a contract is awarded based on competitive bids. Construction Cost shall then be defined as the actual construction cost including all change orders. Fee shall be invoiced monthly based on the ENGINEER's estimate of the percentage of completion of each work item and the percentage of construction cost associated with the work item.
 - d) **Time and Materials:** Fee shall be invoiced monthly based on the actual time and materials utilized to complete work in accordance with Attachment B – Professional Engineering Fee Schedule.
 2. **REIMBURSABLE EXPENSES:** Reproduction, telephone, out-of-town travel expenses and other non-labor charges directly related to the PROJECT will be billed at cost in addition to the fees agreed upon for services rendered. Vehicle mileage at the rate currently allowed by the IRS (\$ 0.56 per mile as of 1/1/2013). Filing fees, permit fees, and other special charges which are advanced on behalf of the CLIENT will be billed on a similar basis plus a 10% service charge.
 3. **PAYMENTS:** Billings for services rendered will be made monthly and payment is requested with thirty (30) days of receipt of invoice. Unless special arrangements are made, a finance charge of 0.833% per month will be added to unpaid balances more than sixty (60) days old. If the CLIENT fails to make payment to the ENGINEER in accordance with the payment terms herein, this shall constitute a material breach of this AGREEMENT and shall be cause of termination by the ENGINEER. If the CLIENT objects to any portion of an invoice, the CLIENT shall so notify the ENGINEER in writing within 15 days of the receipt of the invoice. The CLIENT shall identify the specific cause of the disagreement and shall pay that portion of the invoice not in dispute.

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IV. **TERMS AND CONDITIONS:**

1. **STANDARD OF CARE:** Services provided by the ENGINEER under this AGREEMENT will be performed in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances. The ENGINEER shall not be required to execute any warranties, guarantees or other documents subsequent to the signing of this AGREEMENT that in any way, in the judgment of the ENGINEER, increase the ENGINEER's risk or the availability or cost of the ENGINEER's professional or general liability insurance.
2. **CHANGE OF SCOPE:** The scope of Services set forth in this AGREEMENT is based on facts known at the time of execution of this AGREEMENT, including, if applicable, information supplied by CLIENT. When services include conceptual or process development services, scope of the PROJECT may not be fully definable during initial phases. As the PROJECT progresses, facts discovered may indicate that scope and associated compensation must be redefined.
3. **SAFETY:** ENGINEER has established and maintains corporate programs and procedures for the safety of its employees. Unless specifically included as a service to be provided under this AGREEMENT, ENGINEER specifically disclaims any authority or responsibility for general job site safety and safety of persons other than ENGINEER's employees.
4. **DELAYS:** If events beyond the control of CLIENT or ENGINEER including but not limited to, fire, flood, explosion, riot, strike, war, process shutdown, act of God or the public enemy, and act or regulation of any government agency, affect any schedule established in this AGREEMENT, such schedule shall be amended to the extent necessary to compensate for such delay.
5. **TERMINATION/SUSPENSION:** Either party may terminate this AGREEMENT upon 30 days written notice to the other party. CLIENT shall pay ENGINEER for all Services, including profit relating thereto, rendered prior to termination, plus any expenses of termination. In the event either party defaults in its obligations under this AGREEMENT (including CLIENT's obligation to make the payments required hereunder), the non-defaulting party may, after 7 days written notice stating its intention to suspend performance under the AGREEMENT if cure of such default is not commenced and diligently continued, and failure of the defaulting party to commence cure within such time limit and diligently continue, suspend performance under this AGREEMENT.
6. **OPINIONS OF CONSTRUCTION COST:** Any opinion of construction costs prepared by ENGINEER is supplied for the general guidance of the CLIENT only. Since ENGINEER has no control over competitive bidding or market conditions, ENGINEER cannot guarantee the accuracy of such opinions as compared to contract bids or actual cost to CLIENT.
7. **RELATIONSHIP WITH CONTRACTORS:** ENGINEER shall serve as CLIENT's professional representative for the Services, and may make recommendations to CLIENT concerning actions relating to CLIENT's contractors, but ENGINEER specifically disclaims any authority to direct or supervise the means methods, techniques, sequences, or procedures of construction selected by CLIENT's contractors.
8. **CONSTRUCTION REVIEW:** (a) For PROJECTS including construction services, the ENGINEER shall visit the PROJECT at appropriate intervals during construction to become familiar with the progress and quality of the contractors' work and to determine if the work is proceeding in general accordance with the Contract Documents. The CLIENT has not retained the ENGINEER to make detailed inspections or to provide exhaustive or continuous PROJECT review and observation services. The ENGINEER does not guarantee the performance of and shall have no responsibility for the acts or omissions of any contractor, subcontractor, supplier or any other entity furnishing materials or performing any work on the PROJECT. Upon completion of construction of the PROJECT, the ENGINEER shall compile for and deliver to the CLIENT a reproducible set of Record Documents conforming to the marked-up prints, drawings and other data furnished to the ENGINEER by the Contractor. This set of Record Documents will show the reported location of the Work and significant changes made during the construction process. Because these Record Documents are based on unverified information provided by other parties which will be assumed reliable, the ENGINEER cannot and does not warrant their accuracy. (b) For PROJECTS excluding construction services, CLIENT acknowledges that under generally accepted professional practice, interpretations of construction documents in the field are normally required, and that performance of construction-related services by the design professional for the PROJECT permits errors or omissions to be identified and corrected at comparatively low cost.
9. **INSURANCE:** ENGINEER will maintain insurance coverage for Professional, Comprehensive General, Automotive, Worker's Compensation, and Employer's Liability in amounts in accordance with the following summary. Certificate evidencing such coverage will be provided to CLIENT upon request.

Worker's Compensation – Statutory Amount
Employer's Liability - \$500,000

Commercial General Liability
Personal injury and property damage:
\$1,000,000 combined single limit each occurrence and
\$2,000,000 aggregate

Professional Liability (errors and omissions)
\$1,000,000 each occurrence
\$1,000,000 aggregate

Business Automobile Liability for all vehicles
Bodily Injury and property damage:
\$500,000 combined single limit any one accident

a) CLIENT shall be named additional insured on ENGINEER's insurance coverage and a WAIVER OF SUBROGATION provided for CLIENT.

10. **HAZARDOUS MATERIALS:** Hazardous materials may exist at a site where there is no reason to believe they could or should be present. It is acknowledged by both parties that the ENGINEER's scope of services does not include any

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services related to hazardous or toxic materials. In the event the ENGINEER or any other party encounters hazardous or toxic materials at the jobsite, or should it become known in any way that such materials may be present at the jobsite or any adjacent areas that may affect the performance of the ENGINEER's services, the ENGINEER may, at his or her option suspend performance of services on the PROJECT until the CLIENT retains appropriate specialist consultants or contractors to identify, abate and or remove the hazardous or toxic materials and warrant that the jobsite is in full compliance with applicable laws and regulations.

11. **ACCESS:** CLIENT shall provide ENGINEER safe access to any premises necessary for ENGINEER to provide services.
12. **REUSE OF PROJECT DELIVERABLES:** Reuse of any documents or other deliverables, including electronic media pertaining to the PROJECT by CLIENT for any purpose other than that for which such documents or deliverables were originally prepared, or alteration of such documents or deliverables without written verification or adaptation by ENGINEER for the specific purpose intended, shall be at the CLIENT's risk. Further, all title blocks and the ENGINEER's seal, if applicable, shall be removed if and when CLIENT provides deliverables in electronic media to another entity. CLIENT agrees that relevant analyses, findings and reports provided in electronic media shall also be provided in hard copy and that the hard copy shall govern in the case of discrepancy between the two versions, and shall be held as the official set of drawings, as signed and sealed. CLIENT shall be afforded a period of 30 days in which to check the hard copy against the electronic media. In the event that any error or inconsistency is found as a result of this process, ENGINEER shall be advised and the consistency shall be corrected at no additional cost to CLIENT. Following the expiration of this 30-day period, CLIENT shall bear all responsibility for the care, custody and control of the electronic media.
13. **AMENDMENT:** This AGREEMENT, upon execution by both parties hereto, can be amended only by a written instrument signed by both parties.
14. **ASSIGNMENT:** Except for assignments (a) to entities which control, or are controlled by, the parties hereto or (b) resulting from operation of law, the rights and obligations of this AGREEMENT cannot be assigned by either party without written permission of the other party. This AGREEMENT shall be binding upon and insure to the benefit of any permitted assigns. The ENGINEER and CLIENT agree that the ENGINEER may use other consultants or subconsultants for professional services related to the PROJECT as deemed necessary in the sole opinion of the ENGINEER.
15. **DISPUTE RESOLUTION:** Parties shall attempt to settle disputes arising under this AGREEMENT by discussion between the parties senior representatives of management, if any dispute cannot be resolved in this manner, within a reasonable length of time, parties agree to attempt non-binding mediations or any other method of alternative dispute resolutions prior to filing any legal proceedings. In the event any actions are brought to enforce this AGREEMENT, the prevailing party shall be entitled to recovery of all reasonable costs incurred, including staff time, court costs, attorneys' fees and other related expenses.
16. **NO WAIVER:** No waiver by either party of any default by the other party in the performance of any particular section this AGREEMENT shall invalidate any other section of this AGREEMENT or operate as a waiver of any future default, whether like or different in character.
17. **NO THIRD-PARTY BENEFICIARY:** Nothing contained in this AGREEMENT, nor the performance of the parties hereunder, is intended to benefit, nor shall inure to the benefit of, any third party, including CLIENT's contractors, if any.
18. **SEVERABILITY:** The various items, provisions and covenants herein contained shall be deemed to be separate and severable, and the invalidity or unenforceability of any of them shall not affect or impair the validity or enforceability of the remainder.
19. **AUTHORITY:** The persons signing the AGREEMENT warrant that they have the authority to sign as, or on behalf of, the party for whom they are signing.
20. **Texas Government Code, Chapter 2254, Subchapter A:** All parties subject to this agreement shall adhere to the requirements of the Professional Services Procurement Act.
21. **Terms and Conditions:** This agreement is subject to the provisions titled "Attachment C - Terms and Conditions" and attached hereto and incorporated herein.

APPROVED FOR Tom Brown County
 By: [Signature]
 Printed Name: Stephen C. Ford
 Title: County Judge
 Date: 4-14-15

APPROVED FOR BLEYL & ASSOCIATES
 By: [Signature]
 Printed Name: Mr. Darrin Fentress, P.E.
 Title: Regional Manager
 Date: 3/24/2015
 Prepared By: DMF

Attachments:

- Attachment A: Scope of Services
- Attachment B: Professional Engineering Fee Schedule
- Attachment C: Terms and Conditions

CLIENT Initials [Signature]
 ENGINEER Initials [Signature]

Attachment A
Scope of Services

Carlsbad Fresh Water District 2014 Colonia Grant

Tom Green County (Client No. 1419)
 112 W. Beauregard, San Angelo, Texas 76903
 Attn: Commissioner Rick Bacon
 (325) 659-6513 ; Rick.Bacon@co.tom-green.tx.us

Date: March 24, 2015

Client Manager: Darrin Fentress, P.E.

Project Manager: John Henry

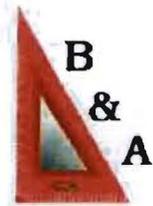
DESCRIPTION	PHASE	BASIS	FEE
1. Retainer - To be applied to final invoice and is included in total fee.		Retainer	NIC
2. Final Design Services	200		
a. Basic Engineering Design of <u>first time water services</u> including 4-inch waterline, fire hydrants, new water service leads & tap connections, and all associated site restoration work.	201	Lump Sum	\$6,000.00
b. Basic Engineering Design of <u>waterline replacement</u> including 8-inch waterline, fire hydrants, water service reconnections, and all associated site restoration work.	202	Lump Sum	\$18,000.00
c. Basic Engineering Design of one (1) new water well, one (1) new hydropneumatic tank, the renovation of one (1) existing ground storage tank & one (1) hydropneumatic tank, a new chlorine detection system, all associated site restoration work.	203	Lump Sum	\$17,000.00
Phase Sub-Total:			\$41,000.00
3. Special Services	700		
a. Construction Inspection	701	Cost + 10%	\$6,500.00
b. Surveying	702	Cost + 10%	\$10,000.00
c. Geotechnical Engineering	703	Cost + 10%	\$5,000.00
d. Certified Lab Testing	704	Cost + 10%	\$500.00
Phase Sub-Total:			\$22,000.00
Total Fee:			\$63,000.00

Notes

- NIC denotes that item is "Not In Contract" and is not included in this proposal.
- These fees are presented in the understanding that the Client, if a public entity, has selected Bleyl & Associates for the Project based on qualifications in accordance with state law and is not soliciting competitive proposals on professional services.
- Client to provide: Sanitary Control Easement documentation for new water well and existing water plant; and deeds for proposed water well site and existing water plant site.
- All permits shall be obtained by Contractor.
- Jurisdictional review fees (of drawings) shall be paid by Client or reimbursed at Cost + 10%.

CLIENT Initials: *SCF*
 ENGINEER Initials: *JA*

Bleyl & Associates
 Planning • Engineering • Management



Bleyl & Associates
Project Engineering & Management

100 Nugent Street
Conroe, TX 77301
Ph: (936) 441-7833
Fax: (936) 760-3833
Texas Reg. No. F-678

Attachment B

Professional Engineering Fee Schedule
Effective April 1, 2014 (Revised)

Compensation to Bleyl & Associates for all work accomplished shall be according to the Standard Billing set forth in this fee schedule, and will be the sum of all the items listed below unless otherwise provided by a written contract.

Fees may be negotiated using the Texas Society of Professional Engineers criteria for general engineering services, as published by the Consulting Engineers Council of Texas and the TSPE.

The following is a breakdown of rates and fees to be charged by this office:

Staff Classifications and Rate

Principal	\$175.00	Project Representative II	\$85.00
Senior Project Manager II	\$155.00	Project Representative I	\$70.00
Senior Project Manager I	\$145.00	Production Manager	\$105.00
Project Engineer III	\$135.00	CAD Tech III	\$90.00
Project Engineer II	\$125.00	CAD Tech II	\$80.00
Project Engineer I	\$110.00	CAD Tech I	\$65.00
Graduate Engineer II	\$90.00	Administrative Assistant I	\$50.00
Graduate Engineer I	\$80.00	Administrative Assistant II	\$60.00
Project Representative III	\$90.00	Office Services	\$40.00

Reimbursable Expenses

Cost Plus 10%

Method of Billing

Invoices are prepared monthly. Payment is due upon receipt.

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ATTACHMENT C

Terms and Conditions

1. Termination of Contract for Cause. If, through any cause, the ENGINEER shall fail to fulfill in a timely and proper manner his/her obligations under this Contract, or if the ENGINEER shall violate any of the covenants, agreements, or stipulations of this Contract, the CLIENT shall thereupon have the right to terminate this Contract by giving written notice to the ENGINEER of such termination and specifying the effective date thereof, at least five days before the effective date of such termination. In such event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs and reports prepared by the ENGINEER under this Contract shall, at the option of the CLIENT, become its property and the ENGINEER shall be entitled to receive just and equitable compensation for any work satisfactorily completed hereunder.

Notwithstanding the above, the ENGINEER shall not be relieved of liability to the CLIENT for damages sustained by the CLIENT by virtue of any breach of the Contract by the ENGINEER, and the CLIENT may withhold any payments to the ENGINEER for the purpose of set-off until such time as the exact amount of damages due the CLIENT from the ENGINEER is determined.

2. Termination for Convenience of the CLIENT. The CLIENT may terminate this Contract at any time by giving at least thirty (30) days notice in writing to the ENGINEER. If the Contract is terminated by the CLIENT as provided herein, the ENGINEER will be paid for the time provided and expenses incurred up to the termination date. If this Contract is terminated due to the fault of the ENGINEER, Paragraph 1 hereof relative to termination shall apply.
3. Changes. The CLIENT may, from time to time, request changes in the scope of the services of the ENGINEER to be performed hereunder. Such changes, including any increase or decrease in the amount of the ENGINEER's compensation, which are mutually agreed upon by and between the CLIENT and the ENGINEER, shall be incorporated in written amendments to this Contract.
4. Personnel.
 - a. The ENGINEER represents that he/she has, or will secure at his own expense, all personnel required in performing the services under this Contract. Such personnel shall not be employees of or have any contractual relationship with the CLIENT.
 - b. All of the services required hereunder will be performed by the ENGINEER or under his/her supervision and all personnel engaged in the work shall be fully qualified and shall be authorized or permitted under State and Local law to perform such services.
 - c. None of the work or services covered by this Contract shall be subcontracted without the prior written approval of the CLIENT. Any work or services subcontracted hereunder shall be specified by written contract or agreement and shall be subject to each provision of this Contract.
5. Assignability. The ENGINEER shall not assign any interest on this Contract, and shall not transfer any interest in the same (whether by assignment or novation), without the prior written consent of the CLIENT thereto: Provided, however, that claims for money by the ENGINEER from the CLIENT under this Contract may be assigned to a bank, trust company, or other

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financial institution without such approval. Written notice of any such assignment or transfer shall be furnished promptly to the CLIENT.

6. Reports and Information. The ENGINEER, at such times and in such forms as the CLIENT may require, shall furnish the CLIENT such periodic reports as it may request pertaining to the work or services undertaken pursuant to this Contract, the costs and obligations incurred or to be incurred in connection therewith, and any other matters covered by this Contract.
7. Records and Audits. The ENGINEER shall insure that the CLIENT maintains fiscal records and supporting documentation for all expenditures of funds made under this contract in a manner that conforms to OMB Circular A-87, Section 570.490 of the Regulations, and this Contract. Such records must include data on the racial, ethnic, and gender characteristics of persons who are applicants for, participants in, or beneficiaries of the funds provided under this Contract. CLIENT shall retain such records, and any supporting documentation, for the greater of three years from closeout of the Contract or the period required by other applicable laws and regulations.
8. Findings Confidential. All of the reports, information, data, etc., prepared or assembled by the ENGINEER under this contract are confidential and the ENGINEER agrees that they shall not be made available to any individual or organization without the prior written approval of the CLIENT.
9. Copyright. No report, maps, or other documents produced in whole or in part under this Contract shall be the subject of an application for copyright by or on behalf of the ENGINEER.
10. Compliance with Local Laws. The ENGINEER shall comply with all applicable laws, ordinances and codes of the State and local governments, and the ENGINEER shall save the CLIENT harmless with respect to any damages arising from any tort done in performing any of the work embraced by this Contract.
11. Equal Employment Opportunity. During the performance of this Contract, the ENGINEER agrees as follows:
 - a. The ENGINEER will not discriminate against any employee or applicant for employment because of race, creed, sex, color, handicap or national origin. The ENGINEER will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, sex, color, handicap or national origin. Such action shall include, but not be limited to, the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The ENGINEER agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the CLIENT setting forth the provisions of this non-discrimination clause.
 - b. The ENGINEER will, in all solicitation or advertisements for employees placed by or on behalf of the ENGINEER, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, sex, handicap or national original.
 - c. The ENGINEER will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Contract so that such provisions will be binding upon each

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subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

- d. The ENGINEER will include the provisions a. through c. in every subcontract or purchase order unless exempted.
12. Civil Rights Act of 1964. Under Title VI of the Civil Rights Act of 1964, no person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.
13. Section 109 of the Housing and Community Development Act of 1974.
- a. No person in the United States shall on the ground of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title.
14. "Section 3" Compliance in the Provision of Training, Employment and Business Opportunities.
- a. The work to be performed under this contract is on a project assisted under a program providing direct Federal financial assistance from the Office of Housing and Urban Development and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given lower income residents of the project area and contracts for work in connection with the project be awarded to business concerns that are located in, or owned in substantial part by persons residing in the area of the project.
- b. The parties to this contract will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 C.F.R. 235, and all applicable rules and orders of TxCDBG issued there under prior to the execution of this Contract. The parties to this Contract certify and agree that they are under no contractual or other disability that would prevent them from complying with these requirements.
- c. The ENGINEER will include this Section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant for or recipient of Federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of Housing and Urban Development, 24 C.F.R. Part 135. The ENGINEER will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 C.F.R. Part 135 and will not let any subcontract unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.
15. Section 503 Handicapped (if \$2,500 or Over) Affirmative Action for Handicapped Workers
- a. The ENGINEER will not discriminate against any employee or applicant for employment because of physical or mental handicap in regard to any position for which the employee or applicant for employment is qualified. The ENGINEER agrees to take affirmative action to employ, advance in employment and otherwise treat qualified handicapped individuals without discrimination based upon their physical or mental handicap in all employment practices such

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as the following: Employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

- b. The ENGINEER agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Act.
- c. In the event of the ENGINEER's non-compliance with the requirements of this clause, actions for non-compliance may be taken in accordance with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Act.
- d. The ENGINEER will include the provisions of this clause in every subcontract or purchase order of \$2,500 or more unless exempted by rules, regulations, or orders of the Secretary issued pursuant to Section 503 of the Act, so that such provisions will be binding upon each subcontractor with respect to any subcontract or purchase order as the Director of the Office of Federal Contract Compliance Programs may direct to enforce such provisions, including action for non-compliance.

16. Interest of Members of a CLIENT. No member of the governing body of the CLIENT and no other officer, employee, or agent of the CLIENT, who exercises any functions or responsibilities in connection with the planning and carrying out of the program, shall have any personal financial interest, direct or indirect, in this Contract. And the ENGINEER shall take appropriate steps to assure compliance.

17. Interest of Other Local Public Officials. No member of the governing body of the Grant Recipient and no other public official of such Grant Recipient, who exercises any functions or responsibilities in connection with the planning and carrying out of the program, shall have any personal financial interest, direct or indirect, in this Contract; and the ENGINEER shall take appropriate steps to assure compliance.

18. Interest of ENGINEER and Employees. The ENGINEER covenants that he/she presently has no interest and shall not acquire interest, direct or indirect, in the study area or any parcels therein or any other interest which would conflict in any manner or degree with the performance of his/her services hereunder. The ENGINEER further covenants that in the performance of this Contract, no person having any such interest shall be employed.

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ENGINEER Initials [Signature]