

AGREEMENT FOR ENGINEERING AND DESIGN SERVICES FOR THE LIVE OAK DRIVE WATER LINE REPLACEMENT PROJECT

This Agreement is made and entered into by and between Kelseyville County Water Works District #3, hereinafter referred to as “District”, and LACO Associates, Inc., hereinafter referred to as “Consultant”, collectively referred to as the “parties”.

1. **SERVICES.** Subject to the terms and conditions set forth in this Agreement, Consultant shall provide to District the services described in the Scope of Services attached hereto and incorporated herein as Exhibit “B” at the time and place and in the manner specified therein. In the event of a conflict in or inconsistency between the terms of this Agreement and Exhibits A/B/C/D, the Agreement shall prevail.

2. **TERM.** This Agreement shall commence on _____ 2022, and shall terminate on December 31, 2022, unless earlier terminated as hereinafter provided. In the event District desires to temporarily continue services after the expiration of this Agreement, such continuation shall be deemed on a month-to-month basis, subject to the same terms, covenants, and conditions contained herein.

3. **COMPENSATION.** Consultant has been selected by District to provide the services described hereunder in Exhibit “B” (Scope of Services), attached hereto. Compensation to Consultant shall not exceed One hundred thousand six hundred and ninety five dollars (\$100,695.00).

The District shall compensate Consultant for services rendered, in accordance with the provisions set forth in Exhibit “C” (Fiscal Provisions), attached hereto, provided that Consultant is not in default under any provisions of this agreement. Compensation to Consultant is contingent upon appropriation of federal, state and county funds.

4. **TERMINATION.** This Agreement may be terminated by mutual consent of the parties or by District upon 30 days written notice to Consultant.

In the event of non-appropriation of funds for the services provided under this Agreement, District may terminate this Agreement, without termination charge or other liability.

Upon termination, Consultant shall be paid a prorated amount for the services provided up to the date of termination.

5. **MODIFICATION.** This Agreement may only be modified by a written amendment hereto, executed by both parties; however, matters concerning scope of services which do not affect the compensation may be modified by mutual written consent of Consultant and District executed by the Special Districts Administrator.

6. **NOTICES.** All notices between the parties shall be in writing addressed as follows:

Special Districts Administration
230 N. Main St
Lakeport, CA 95453
Attn: Scott Harter, Administrator

LACO Associates, Inc.
1072 N. State St
Ukiah, CA 95482
Attn: Rodney L. Wilburn, PE

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7. **EXHIBITS.** The Agreement Exhibits, as listed below, are incorporated herein by reference:

Exhibit A – Definitions
Exhibit B – Scope of Services
Exhibit C – Fiscal Provisions
Exhibit D – Compliance Provisions

8. **TERMS AND CONDITIONS.** Consultant warrants that it will comply with all terms and conditions of this Agreement and Exhibits, and all other applicable federal, state and local laws, regulations and policies.

9. **INTEGRATION.** This Agreement, including attachments, constitutes the entire agreement between the parties regarding its subject matter and supersedes all prior Agreements, related proposals, oral and written, and all negotiations, conversations or discussions heretofore and between the parties.

Executed at _____, California on _____.

COUNTY OF LAKE

CONSULTANT



CHAIR, Board of Supervisors

Rodney Wilburn, PE, Vice President of
Engineering, LACO Associates, Inc.

ATTEST:
SUSAN PARKER
Clerk to the Board of Supervisors

APPROVED AS TO FORM:
ANITA L. GRANT
County Counsel



By: _____

By: _____

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EXHIBIT “A” – DEFINITIONS

CalOSHA: California Occupational Safety and Health Administration

CFR: Code of Federal Regulations

HIPAA: Health Insurance Portability and Accountability Act of 1996

ODS: Outside Diameter Steel

PDF: Portable Document Format

PS&E: Plans, Specifications and Estimate

QA/QC: Quality Assurance / Quality Control

RACI: Responsible, Accountable, Consulted, Informed

RFI: Request For Information

USC: United States Code

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EXHIBIT “B” – SCOPE OF SERVICES

1. CONSULTANT RESPONSIBILITIES

Task 1 – Project Initiation

Task 1.1 – Kick-Off Meeting – Consultant shall obtain pertinent existing information from local and state agencies as required to deliver this project. Consultant shall coordinate a kick-off meeting with the District, the consultant team and any other project stakeholders, as appropriate, to discuss the project background, scope, concepts, schedule, project management, and issues identified by the participants. Consultant shall coordinate the meeting agenda and attendance in collaboration with the District, prepare the agenda, and circulate detailed meeting notes and a table of action items, roles and completion dates to all participants after the meeting. The kick-off meeting can be held on site, or a site visit can be scheduled for after the kick-off meeting if there is interest.

Task 1.2 – Establish Project Schedule - Following the kick-off meeting and optional field review the Consultant will use the input received to develop an initial version of a comprehensive project schedule for review and discussion with the District. The project schedule shall show each task, start and end dates, and task duration. This schedule shall be updated and coordinated with the District as appropriate. Consultant shall notify the District immediately of any problems that could adversely impact the project schedule.

Deliverables:

- Agenda for kick-off meeting
- Meeting minutes following kick-off meeting
- Project schedule – initial version, followed by regular updates

Task 2 – Project Management

Task 2.1 - Project Management – Consultant shall provide project management over the course of the project, including subconsultant oversight, team updates, and schedule and budget management. The District expects the Consultant to provide a high level of service in delivering the project. The Consultant should anticipate very little assistance from the District and shall be expected to manage all activities leading to the successful delivery of the project. Consultant shall submit a Project Management Plan which details its approach to project management, Quality Assurance / Quality Control (QA/QC), cost control, schedule management, independent technical review / design check, and constructability review.

The Consultant was selected based on the qualifications of the key Consultant team members identified in the proposal. The key team members are listed below:

Project Manager	Rod Wilburn, PE (LACO Associates, Inc.)
Managing Engineer	Chad Mosier, PE (LACO Associates, Inc.)
Right of Way (if needed)	Bender Rosenthal, Inc.

Any changes to the key team members listed above must be approved by the District.

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Task 2.2– Progress Meetings – The Consultant will meet with the District regularly or as necessary to manage and deliver the project. Meetings may be performed by video, screenshare, telephone or in person. The frequency of meetings will be determined by the work being performed and will vary from weekly meetings during high-intensity work periods to once every two weeks or monthly meetings during less intense periods.

Deliverables:

- Project Management Plan
- Schedule updates
- RACI Matrix
- Monthly invoices with details of labor hours expended by each labor category
- Agendas and minutes for each progress meeting

Task 3 – Engineering

Task 3.1 – Surveys and Mapping – Consultant shall be licensed to perform land surveying in the state of California. Consultant shall provide field surveys and office work, as required for the Project, to collect topographic data and determine any right-of-way, right of entry or temporary construction easement needs.

Task 3.2 – Engineering Plans, Specifications, and Estimate (PS&E) – Consultant shall provide the engineering and design for the replacement of the existing 4” outside diameter steel (ODS) pipe, including the following:

- Plans, specifications and detailed cost estimate for the work. Provide two (2) 24”x36” plan sets, two (2) 11”x17” plan sets and a digital copy. Provide two (2) printed copies and a digital copy of the specifications. District will provide boiler plate format.
- Provide coordination with utility companies for any needed facility adjustment and relocations.

Consultant shall advance the plans into 65%, 90% and 100% completion stages. At each stage the draft PS&E shall be submitted to the District for review.

Consultant shall perform an independent design check to ensure completeness, constructability, and conformance with design criteria.

Consultant shall incorporate District’s comments and, prepare the Final PS&E package. The Final PS&E package shall, at a minimum, consist of electronic format and hard copy submittal of full-size and half-size plans, estimate and specifications.

Deliverables:

- 65%, 90% and 100% PS&E packages, including the content listed above
- Final Deliverable to include one (1) stamped and signed set of plans, technical specifications and engineers estimate along with PDF format electronic copies of all.

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Task 4 – Right-of-Way Services – It is assumed that the project can be completed with temporary construction easements and or rights of entry. If this is found to not be the case, the Consultant shall provide acquisition services to secure the additional right of way.

Task 4.1 Surveying – Consultant will determine the existing right-of-way for the project and will prepare legal descriptions and plats for temporary construction easements.

Task 4.2 Right-of-Way Appraisals – Consultant will prepare an appraisal for each parcel that requires an acquisition or easement. A signed appraisal report will be prepared and submitted for each parcel appraised, including a description of the property, discussion of its highest and best use, determination of value (and the valuation methods used), and a complete record of all contacts made in the process.

Task 4.3 Right-of-Way Acquisition – Consultant will work with the District to acquire right of way if necessary. Consultant will provide survey, monumentation, mapping and acquisition services by a licensed real estate broker.

Deliverables:

- Legal descriptions and plats for temporary construction easements
- Appraisal reports for each parcel appraised

Task 5 – Bid Support - Consultant shall provide assistance to the District with the bidding process. The bid advertisement and bid opening will be conducted by the District. Bid support will include, but not be limited to the following items:

- Preparing the agenda, minutes and attend the pre-bid conference.
- Respond to Contractor inquiries during bid advertisement.
- Prepare addenda for District use as required.
- Review bids received and make recommendations.

Task 6 - Construction Support – Consultant shall provide assistance to the District during construction. Construction support will include, but not be limited to the following items:

- Attend the pre-construction conference.
- Respond to Contractor requests for information (RFIs).
- Prepare contract change orders and supporting documents.
- Provide consultation during construction.
- Attend one field visit during construction as needed.

Task 7 – Prepare Record (As Built) Drawings – Utilizing the District Inspector’s notes on the contract plans and change orders, the Consultant shall prepare Record Drawings in digital (PDF) and hard copy Mylar format for the project.

Deliverables:

- Record drawings in PDF electronic and hard copy Mylar format.

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2. **REPORTING REQUIREMENTS.** Consultant shall submit monthly progress reports with their invoice in a format approved by District.

3. **RECORDS RETENTION.** Consultant shall prepare, maintain and/or make available to District upon request, all records and documentation pertaining to this Agreement, including financial, statistical, property, recipient and service records and supporting documentation for a period of five (5) years from the date of final payment of this Agreement. If at the end of the retention period, there is ongoing litigation or an outstanding audit involving the records, Consultant shall retain the records until resolution of litigation or audit. After the retention period has expired, Consultant assures that confidential records shall be shredded and disposed of appropriately.

4. **DISTRICT RESPONSIBILITIES.**

4.1 District will provide Consultant with the following data, and information to support the design if available:

- Water and sewer as-built drawings
- Mark utilities in the field prior to survey
- Other pertinent information

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EXHIBIT “C” – FISCAL PROVISIONS

1. CONSULTANT’S FINANCIAL RECORDS. Consultant shall keep financial records for funds received hereunder, separate from any other funds administered by Consultant, and maintained in accordance with Generally Accepted Accounting Principles and Procedures and the Office of Management and Budget’s Cost Principles.

2. INVOICES.

2.1 Consultant’s invoices shall be submitted in arrears on a monthly basis, or such other time that is mutually agreed upon in writing, and shall be itemized and formatted to the satisfaction of the District.

2.2 District shall make payment within 20 business days of an undisputed invoice for the compensation stipulated herein for supplies delivered and accepted or services rendered and accepted, less potential deductions, if any, as herein provided. Payment on partial deliverables may be made whenever amounts due so warrant or when requested by the Consultant and approved by the Assistant Purchasing Agent.

3. AUDIT REQUIREMENTS AND AUDIT EXCEPTIONS

3.1 Consultant warrants that it shall comply with all audit requirements established by District and will provide a copy of Consultant’s Annual Independent Audit Report, if applicable.

3.2 District may conduct periodic audits of Consultant’s financial records, notifying Consultant no less than 48 hours prior to scheduled audit. Said notice shall include a detailed listing of the records required for review. Consultant shall allow District, or other appropriate entities designated by District, access to all financial records pertinent to this Agreement.

3.3 Consultant shall reimburse District for audit exceptions within 30 days of written demand or shall make other repayment arrangements subject to the approval of District.

4. BUDGET. The Consultant shall submit, in advance, a detailed budget, in the format provided by District for review and approval by the District. Consultant shall be compensated only for expenses included in the approved budget. Modification to the budget must be approved in advance by the District.

5. EXPENDITURE OF FUNDS.

5.1 Funds payable through this agreement shall not be used to purchase food or promotional merchandise or to attend conferences unless specifically approved in the budget.

5.2 District reserves the right to refuse payment to Consultant or disallow costs for any expenditure determined to be unreasonable, out of compliance, or inappropriate to the services provided hereunder.

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EXHIBIT “D” – COMPLIANCE PROVISIONS

1. INFORMATION INTEGRITY AND SECURITY. Consultant shall immediately notify District of any known or suspected breach of personal, sensitive and confidential information related to Consultant’s work under this Agreement.

2. NON-DISCRIMINATION. Consultant and its sub-consultants shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex (gender), sexual orientation, gender identity, race, color, ancestry, religion, creed, national origin (including language use restriction), pregnancy, physical disability (including HIV and AIDS), mental disability, medical condition (cancer/genetic characteristics), age (over 40), marital/domestic partner status, and denial of medical and family care leave or pregnancy disability leave. Consultant and its sub-consultants shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Consultant and its sub-consultants shall comply with the provisions of the California Fair Employment and Housing Act (Gov. Code, §12990.) and the applicable regulations promulgated there under (Cal. Code Regs., tit. 2, §11000 et seq.). The applicable regulations of the Fair Employment and Housing are incorporated into this Agreement by reference. Consultant and its sub-consultants shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

3. DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS

3.1 The Consultant certifies to the best of its knowledge and belief, that it and its subconsultants:

A. Are not presently debarred, suspended, proposed for disbarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency;

B. Have not, within a three-year period preceding this Agreement, been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public transaction; violation of federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

C. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity with commission of any of the offenses enumerated in the preceding paragraph; and

D. Have not, within a three-year period preceding this Agreement, had one or more public transactions terminated for cause or default.

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3.2 Consultant shall report immediately to District, in writing, any incidents of alleged fraud and/or abuse by either Consultant or Consultant's subconsultant. Consultant shall maintain any records, documents, or other evidence of fraud and abuse until otherwise notified by District.

4. AGREEMENTS IN EXCESS OF \$100,000. Consultant shall comply with all applicable orders or requirements issued under the following laws:

- 4.1 Clean Air Act, as amended (42 USC 1857).
- 4.2 Clean Water Act, as amended (33 USC 1368).
- 4.3 Federal Water Pollution Control Act, as amended (33 USC 1251, et seq.)
- 4.4 Environmental Protection Agency Regulations (40 CFR, Part 15 and Executive Order 11738).

5. INDEMNIFICATION AND HOLD HARMLESS.

Each party shall indemnify and hold the other harmless against all actions, claims, demands, and liabilities and against all losses, damage, cost, expenses, and attorney's fees, arising directly or indirectly out of an actual or alleged injury to a person or property in the same proportion that its own acts and/or omissions are attributed to said claim, demand, liability, loss, damage, cost, expenses, and/or attorney's fees. This provision shall not extend to any claim, demand, liability, loss, damage, cost, expenses, and/or attorney's fees covered by the insurance of either party.

Consultant's obligations under this Section shall survive the termination of the Agreement.

6. STANDARD OF CARE. Consultant represents that it is specially trained, licensed, experienced and competent to perform all the services, responsibilities and duties specified herein and that such services, responsibilities and duties shall be performed, whether by Consultant or designated subconsultants, in a manner according to generally accepted practices.

7. INTEREST OF CONSULTANT. Consultant assures that neither it nor its employees has any interest, which would conflict in any manner or degree with the performance of services hereunder.

8. DUE PERFORMANCE – DEFAULT. Each party agrees to fully perform all aspects of this agreement. If a default to this agreement occurs then the party in default shall be given written notice of said default by the other party. If the party in default does not fully correct (cure) the default within ten (10) days of the date of that notice (i.e. the time to cure) then such party shall be in default. The time period for corrective action of the party in default may be extended in writing executed by both parties, which must include the reason(s) for the extension and the date the extension expires.

Notice given under this provision shall specify the alleged default and the applicable Agreement provision and shall demand that the party in default perform the provisions of this Agreement within the applicable time period. No such notice shall be deemed a termination of this Agreement, unless the party giving notice so elects in that notice, or so elects in a subsequent written notice after the time to cure has expired.

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9. INSURANCE.

9.1 Consultant shall procure and maintain Workers' Compensation Insurance for all of its employees.

9.2 Consultant shall procure and maintain Comprehensive Public Liability Insurance, both bodily injury and property damage, in an amount of not less than one million dollars (\$1,000,000) combined single limit coverage per occurrence, including but not limited to endorsements for the following coverage: personal injury, premises-operations, products and completed operations, blanket contractual, and independent consultant's liability.

9.3 Consultant shall procure and maintain Comprehensive Automobile Liability Insurance, both bodily injury and property damage, on owned, hired, leased and non-owned vehicles used in connection with Consultant's business in an amount of not less than one million dollars (\$1,000,000) combined single limit coverage per occurrence.

9.4 Consultant shall procure and maintain Professional Liability Insurance for the protection against claims arising out of the performance of services under this Agreement caused by errors, omissions or other acts for which Consultant is liable. Said insurance shall be written with limits of not less than one million dollars (\$1,000,000).

9.5 Consultant shall not commence work under this Agreement until it has obtained all the insurance required hereinabove and submitted to District certificates of insurance naming the District and the State as additional insured. Consultant agrees to provide to District, at least 30 days prior to expiration date, a new certificate of insurance.

9.6 In case of any subcontract, Consultant shall require each subconsultant to provide all of the same coverage as detailed hereinabove. Subconsultants shall provide certificates of insurance naming the District and State as additional insured and shall submit new certificates of insurance at least 30 days prior to expiration date. Consultant shall not allow any subconsultant to commence work until the required insurances have been obtained.

9.7 For any claims related to the work performed under this Agreement, the Consultant's insurance coverage shall be primary insurance as to the District, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by District, its officers, officials, employees, agents or volunteers shall be in excess of the Consultant's insurance and shall not contribute with it.

9.8 The Commercial General Liability and Automobile Liability Insurance must each contain, or be endorsed to contain, the following provisions:

The District, its officers, officials, employees, agents, and volunteers are to be covered as additional insureds and shall be added in the form of an endorsement to Consultant's insurance on Form CG 20 10 11 85.

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The State, its officers, officials, employees, agents, and volunteers are to be covered as additional insureds and shall be added in the form of an endorsement to Consultant's insurance on Form CG 20 10 11 85.

Consultant shall not commence work under this Agreement until Consultant has had delivered to District the Additional Insured Endorsements required herein.

Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under subdivision (b) of California Civil Code Section 2782.

9.9 Insurance coverage required of Consultant under this Agreement shall be placed with insurers with a current A.M. Best rating of no less than A: VII.

Insurance coverage in the minimum amounts set forth herein shall not be construed to relieve the Consultant for liability in excess of such coverage, nor shall it preclude District from taking other action as is available to it under any other provision of this Agreement or applicable law. Failure of District to enforce in a timely manner any of the provisions of this section shall not act as a waiver to enforcement of any of these provisions at a later date.

9.10 Any failure of Consultant to maintain the insurance required by this section, or to comply with any of the requirements of this section, shall constitute a material breach of the entire Agreement.

10. ATTORNEY'S FEES AND COSTS. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs, and necessary disbursements in addition to any other relief to which such part may be entitled.

11. ASSIGNMENT. Consultant shall not assign any interest in this Agreement and shall not transfer any interest in the same without the prior written consent of District except that claims for money due or to become due Consultant from District under this Agreement may be assigned by Consultant to a bank, trust company, or other financial institution without such approval. Written notice of any such transfer shall be furnished promptly to District. Any attempt at assignment of rights under this Agreement except for those specifically consented to by both parties or as stated above shall be void.

12. PAYROLL TAXES AND DEDUCTIONS. Consultant shall promptly forward payroll taxes, insurances, and contributions to designated governmental agencies.

13. INDEPENDENT CONSULTANT. It is specifically understood and agreed that, in the making and performance of this Agreement, Consultant is an independent Consultant and is not an employee, agent or servant of District. Consultant is not entitled to any employee benefits. District agrees that Consultant shall have the right to control the manner and means of accomplishing the result Agreed for herein.

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Consultant is solely responsible for the payment of all federal, state and local taxes, charges, fees, or contributions required with respect to Consultant and Consultant's officers, employees, and agents who are engaged in the performance of this Agreement (including without limitation, unemployment insurance, social security and payroll tax withholding.)

14. OWNERSHIP OF DOCUMENTS. All non-proprietary reports, drawings, renderings, or other documents or materials prepared by Consultant hereunder are the property of District.

15. SEVERABILITY. If any provision of this Agreement is held to be unenforceable, the remainder of this Agreement shall be severable and not affected thereby.

16. ADHERENCE TO APPLICABLE DISABILITY LAW. Consultant shall be responsible for knowing and adhering to the requirements of Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act, (42 U.S.C. Sections 12101, et seq.). California Government Code Sections 12920 et seq., and all related state and local laws.

17. HIPAA COMPLIANCE. Consultant will adhere to Titles 9 and 22 and all other applicable Federal and State statutes and regulations, including the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and will make his best efforts to preserve data integrity and the confidentiality of protected health information.

18. SAFETY RESPONSIBILITIES. Consultant will adhere to all applicable CalOSHA requirements in performing work pursuant to this Agreement. Consultant agrees that in the performance of work under this Agreement, Consultant will provide for the safety needs of its employees and will be responsible for maintaining the standards necessary to minimize health and safety hazards.

19. JURISDICTION AND VENUE. This Agreement shall be construed in accordance with the laws of the State of California and the parties hereto agree that venue of any action or proceeding regarding this Agreement or performance thereof shall be in Lake County, California.

20. RESIDENCY. All independent Consultants providing services to District for compensation must file a State of California Form 590, certifying California residency or, in the case of a corporation, certifying that they have a permanent place of business in California.

21. NO THIRD-PARTY BENEFICIARIES. Nothing contained in this Agreement shall be construed to create, and the parties do not intend to create, any rights in or for the benefit of third parties.

22. DRUG FREE WORKPLACE CERTIFICATION. By signing this agreement, Consultant and its sub-consultants hereby certify, under penalty of perjury under the laws of the State of California, compliance with the requirements of the Drug-Free Workplace Act of 1990 (Gov. Code, § 8350 et seq.) and have or will provide a drug-free workplace by taking the following actions:

- A. Publishing a statement notifying employees, contractors, and subcontractors that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is

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prohibited and specify actions to be taken against employees, contractors, or subcontractors for violations, as required by Government Code section 8355.

- B. Establish a Drug-Free Awareness Program, as required by Government Code section 8355 to inform employees, contractors, or subcontractors about all of the following:
 - i. The dangers of drug abuse in the workplace,
 - ii. Consultants policy of maintaining a drug-free workplace,
 - iii. Any available counseling, rehabilitation, and employee assistance programs, and
 - iv. Penalties that may be imposed upon employees, contractors and subcontractors for drug abuse violations.

- C. Provide, as required by Government Code section 8355, that every employee, contractor, and/or subcontractor who works under this agreement:
 - i. Will receive a copy of the Consultants drug-free policy statement, and
 - ii. Will agree to abide by terms of Consultant's condition of employment, contract or subcontract.

23. INCOME RESTRICTIONS. The Consultant agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Consultant under this Agreement shall be paid by the Consultant to the District, to the extent that they are properly allocable to costs for which the Consultant has been reimbursed by the District under this Agreement.

24. INSPECTION OF PROJECT BY STATE. State shall have the right to inspect the work being performed at any and all reasonable times during the term of the Agreement.