

AGREEMENT

for

PROFESSIONAL SERVICES

between

THE CITY OF WICHITA, KANSAS

and

CH2M HILL Engineers, Inc.

for

DEVELOPMENT OF AN ASSET MANAGEMENT PLAN

THIS AGREEMENT, made this _____ day of _____, 2015, by and between the CITY OF WICHITA, KANSAS, party of the first part, hereinafter called the "CITY" and CH2M HILL Engineers, Inc., party of the second part, hereinafter called the "ENGINEER".

WHEREAS, the CITY intends to develop an asset management plan for the water and wastewater utilities.

The work will be conducted under the direction of the Director of Public Works & Utilities or his designated representative, with milestone reviews. The major components of this PROJECT, as described in further detail in Exhibit A, will include, but not be limited to:

- Project Management.
- Task 1: Program Visioning and Foundation for Risk Assessment.
- Task 2: Risk Based Comprehensive Asset Management and Capital Planning.
- Task 3: Operations and Maintenance (O&M) Planning.
- Task 4: Program Direction which includes comparisons of capital, O&M, and financial plans and recommending the best path forward for the utility.

Infrastructure to be addressed under this contract include:

1. Water Infrastructure
 - a. Central Water Treatment Plant
 - b. Hess, NE, SE, and West Water Booster Pump Stations
 - c. Raw Water Supply and Pipelines including ASR, Cheney, and Well Field
 - d. Distribution System and Water Towers
2. Wastewater Infrastructure
 - a. Five (5) Water Quality Reclamation Facilities
 - b. Sixty (60) Lift Stations
 - c. Collection System

A detailed scope of services is attached as Exhibit A, attached hereto and incorporated into this Agreement. All services to be performed under this Agreement shall be commenced immediately upon execution of this Agreement in accordance with the Milestone Schedule set forth in Exhibit B, attached hereto and incorporated into this Agreement. Compensation for completed work shall be in accordance with the terms of this Agreement as reflected in Exhibit C, attached hereto and incorporated into this Agreement.

NOW, THEREFORE, the parties hereto do mutually agree as follows:

I. SCOPE OF SERVICES

The ENGINEER shall furnish professional services as required to develop an asset management plan for the CITY's water and wastewater utilities and to perform PROJECT tasks outlined in Exhibit A. By ENGINEER providing these professional services, there is not a desire by the CITY to sell the CITY's assets or privatize the utility. And ENGINEER is not CITY's financial advisor for this Project and is not acting in such role under Section 15B of the Exchange Act.

II. IN ADDITION, THE ENGINEER AGREES

- A. To provide the various technical and professional services, equipment, and material to perform the tasks as outlined in the SCOPE OF SERVICES (Exhibit A).
- B. To attend meetings with the CITY and other local, state and federal agencies as necessitated by the SCOPE OF SERVICES.
- C. To make available during regular office hours, all writings, calculations, sketches, drawings and models such as the CITY may wish to examine periodically during performance of this agreement.
- D. To save and hold CITY harmless against all suits, claims, damages and losses, for injuries to third-party persons or property to the extent arising from or caused by negligent actions, errors, or omissions of ENGINEER, its agents, servants, employees, or subcontractors occurring in the performance of its services under this contract.
- E. To maintain books, documents, papers, accounting records and other evidence pertaining to costs incurred by ENGINEER and, where relevant to method of payment, to make such material available to the CITY or its authorized representative for inspection.

- F. To comply with all Federal, State and local laws, ordinances and regulations applicable to the work, including Title VI of the Civil Rights Act of 1964, and to comply with the CITY'S Non-Discrimination and Equal Opportunity/Affirmative Action Program Requirements as set forth in Exhibit "D" which is attached hereto and adopted by reference as though fully set forth herein.
- G. To accept compensation for the work herein described in such amounts and at such periods as provided in Article IV and that such compensation shall be satisfactory and sufficient payment for all work performed, equipment or materials used and services rendered in connection with such work.
- H. To complete the services to be performed by ENGINEER within the time allotted for the PROJECT in accordance with Exhibit B; EXCEPT that the ENGINEER shall not be responsible or held liable for delays occasioned by the actions or inactions of the CITY or other agencies, or their contractors or for other unavoidable delays beyond control of the ENGINEER.
- I. Covenants and represents to be responsible for the professional and technical accuracies in accordance with industry standard of care and the coordination of all designs, drawings, specifications, plans, writings, models, and/or other work or material furnished by the ENGINEER under this agreement. ENGINEER further agrees that all designs, drawings, specifications, plans, and other work or material furnished by ENGINEER, its agents, employees and subcontractors, under this agreement, including any additions, alternation or amendments thereof, shall be free from negligent errors or omissions in accordance with industry standard of care.
- J. ENGINEER shall procure and maintain such insurance as will protect the ENGINEER from damages resulting from the negligent acts of the ENGINEER, its agents, officers, employees and subcontractors in the performance of the professional services rendered under this agreement. Such policy of insurance shall be in an amount of \$1,000,000 per claim and in the aggregate. In addition, a Workman's Compensation and Employer's Liability Policy shall be procured and maintained. This policy shall include an "all state" endorsement. Said insurance policy shall also cover claims for injury, disease or death of employees arising out of and in the course of their employment, which, for any reason, may not fall within the provisions of the Workman's Compensation Law. The liability limit shall be:

Workman's Compensation – Statutory
Employer's Liability - \$500,000 each accident
\$500,000 each employee
\$500,000 policy limit

Further, a comprehensive general liability policy shall be procured and maintained by the ENGINEER that shall be written in a comprehensive form and shall protect ENGINEER against all claims arising from injuries to persons (other than ENGINEER'S employees) or damage to property of the CITY or others arising out of any negligent act or omission of ENGINEER, its agents, officers, employees or subcontractors in the performance of the professional services under this agreement. The liability limit shall

be \$1,000,000 per occurrence and in the aggregate for bodily injury and property damage. Satisfactory Certificates of Insurance shall be filed with the CITY prior to the time ENGINEER starts any work under this agreement. In addition, insurance policies applicable hereto shall contain a provision that provides that the CITY shall be given thirty (30) days written notice by the insurance company before such policy is substantially changed or canceled.

- K. To designate a Project Manager for the coordination of the work that this agreement requires to be performed. The ENGINEER agrees to advise the CITY, in writing, of the person(s) designated as Project Manager not later than five (5) days following issuance of the notice to proceed on the work required by this agreement. The ENGINEER shall also advise the CITY of any changes in the person designated Project Manager. Written notification shall be provided to the CITY for any changes exceeding one week in length of time.

III. THE CITY AGREES:

- A. To furnish all available data pertaining to the PROJECT now in the CITY'S files at no cost to the ENGINEER. Confidential materials so furnished will be kept confidential by the ENGINEER. Available data and materials shall be provided to the ENGINEER in a timely fashion and ENGINEER may reasonably rely upon such data and materials.
- B. To provide CITY standards as required for the PROJECT; however, reproduction costs are the responsibility of the ENGINEER, except as specified in Exhibit A.
- C. To pay the ENGINEER for his services within 30 days of receipt of invoice and in accordance with the requirements of this agreement.
- D. To provide the right-of-entry for ENGINEER'S personnel in performing field surveys and inspections.
- E. To designate a Project Manager for the coordination of the work that this agreement requires to be performed. The CITY agrees to advise, the ENGINEER, in writing, of the person(s) designated as Project Manager with the issuance of the notice to proceed on the work required by this agreement. The CITY shall also advise the ENGINEER of any changes in the person(s) designated Project Manager. Written notification shall be provided to the ENGINEER for any changes exceeding one week in length of time.
- F. To examine all studies, reports, sketches, drawings, specifications, proposals and other documents presented by ENGINEER in a timely fashion, but not more than 14 days.
- G. CITY will maintain property insurance on all facilities.

IV. PAYMENT PROVISIONS

- A. Payment to the Engineer for the performance of the professional services required shall be time related charges for labor, per attached rate table shown in Exhibit "C" and direct expenses, but the total of all payments shall not exceed \$1,721,800.00 and may be less than the estimated amount.
- B. During the progress of work covered by this agreement, payments may be made to the ENGINEER monthly based on time worked on the PROJECT and incurred expenses. The progress billings shall be supported by documentation acceptable to the Director of Public Works & Utilities which shall include a project Gantt chart or other suitable

progress chart indicating progress on the PROJECT and a record of the time period to complete the work, the time period elapsed, and the time period that remains to complete the work.

- C. When requested by the CITY and as mutually agreed upon between the parties, the ENGINEER will enter into a Supplemental Agreement for additional services related to the PROJECT such as, but not limited to:
 - 1. Consultant or witness for the CITY in any litigation, administrative hearing, or other legal proceedings related to the PROJECT.
 - 2. Additional services not covered by the scope of this agreement.
 - 3. Administration related to this PROJECT
 - 4. A major change in the scope of services for the PROJECT.
- D. If additional work should be necessary, the ENGINEER will be given written notice by the CITY along with a request for an estimate of the increase necessary in the not-to-exceed fee for performance of such additions. No additional work shall be performed nor shall additional compensation be paid except on the basis of a Supplemental Agreement duly entered into by the parties.
- E. In the event of a disputed billing, only the disputed portion will be withheld from payment, and CITY shall pay the undisputed portion. CITY will exercise reasonableness in disputing any bill or portion thereof. No interest will accrue on any disputed portion of the billing until mutually resolved. If CITY fails to make payment in full within 30 days of the date due for any undisputed billing, ENGINEER may, after giving 7 days' written notice to CITY, suspend services under this Agreement until paid in full, including interest. In the event of suspension of services, ENGINEER will have no liability to CITY for delays or damages caused by CITY because of such suspension.
- F. ENGINEER is not responsible for damages or delay in performance caused by acts of God, strikes, lockouts, accident, or other events beyond the control of ENGINEER. In any such event, ENGINEER's contract price and schedule shall be equitably adjusted.

V. THE PARTIES HERETO MUTUALLY AGREE:

- A. That the right is reserved to the CITY to terminate this agreement at any time, upon written notice, in the event the PROJECT is to be abandoned or indefinitely postponed, or because of the ENGINEER'S inability to proceed with the work.
- B. The Study Report, model(s), presentation materials, and any other work produced under this Agreement which may be copyrighted shall become the property of the CITY upon completion, and there shall be no restriction or limitation on the further use of said works by the City. The parties hereto intend the CITY to have copyright ownership in the works produced hereunder, as "works made for hire" under the provisions of United States copyright laws. All of the pre-existing work product of the ENGINEER in executing this project shall remain the property of ENGINEER. In the event any of the works is ever determined not to constitute or qualify as a "work made for hire," ENGINEER agrees to grant the CITY a perpetual, royalty-free and irrevocable license to reproduce, publish and/or otherwise use and authorize others to use such works. Provided, however, that CITY shall hold ENGINEER harmless from any and all claims, damages or causes of action which arise out of such further use when such further use is not in connection with the PROJECT.

- C. That the services to be performed by the ENGINEER under the terms of this agreement are personal and cannot be assigned, sublet or transferred without specific consent of the CITY.
- D. In the event of unavoidable delays in the progress of the work contemplated by this agreement, reasonable extensions in the time allotted for the work will be granted by the CITY, provided, however, that the ENGINEER shall request extensions, in writing, giving the reasons therefor.
- E. It is further agreed that this agreement and all contracts entered into under the provisions of this agreement shall be binding upon the parties hereto and their successors and assigns.
- F. Neither the CITY'S review, approval, or acceptance of, nor payment for, any of the work or services required to be performed by the ENGINEER under this agreement shall be construed to operate as a waiver of any right under this agreement or any cause of action arising out of the performance of this agreement.
- G. The rights and remedies of the CITY provided for under this agreement are in addition to any other rights and remedies provided by law.
- H. It is specifically agreed between the parties executing this contract, that it is not intended by any of the provisions of any part of this contract to create the public or any member thereof a third party beneficiary hereunder, or to authorize anyone not a party to this contract to maintain a suit for damages pursuant to the terms or provisions of this contract.
- I. ENGINEER and ENGINEER's personnel have no authority to exercise any control over any CITY contractor or other entity or their employees in connection with their work or any health or safety precautions and have no duty for inspecting, noting, observing, correcting, or reporting on health or safety deficiencies of the contractor(s) or other entity or any other persons at the site except ENGINEER's own personnel.
- J. To the maximum extent permitted by law, in no event shall ENGINEER's, its affiliates, officers, employees, or any of its subcontractors be liable for OWNER's damages arising out of or related to this Agreement in excess of the value of the services performed, whether such liability is claimed to arise in breach of contract or warranty, tort including negligence, strict or statutory liability or otherwise.
- K. To the maximum extent permitted by law, ENGINEER and ENGINEER's affiliated corporations, officers, employees, and subcontractors shall not be liable for CITY's special, indirect, or consequential damages, whether such damages arise out of breach of contract or warranty, tort including negligence, strict or statutory liability, or any other cause of action. In order to protect ENGINEER against indirect liability or third-party proceedings, CITY will indemnify ENGINEER for any such damages.
- L. This AGREEMENT gives no rights or benefits to anyone other than CITY and ENGINEER and has no third-party beneficiaries.
- M. The parties will use their best efforts to resolve amicably and dispute, including use of alternative dispute resolution options.

IN WITNESS WHEREOF, the CITY and the ENGINEER have executed this agreement as of the date first written above.

BY ACTION OF THE CITY COUNCIL

Jeff Longwell, Mayor

SEAL:

ATTEST:

Karen Sublett, City Clerk

APPROVED AS TO FORM:

Jennifer Magana, City Attorney and Director of Law

CH2M HILL Engineers, Inc.



Kevin Heffernan, Business Vice President

ATTEST:





SCOPE OF SERVICES

CITY OF WICHITA, KANSAS

DEVELOPMENT OF AN ASSET MANAGEMENT PLAN

Introduction

CH2M HILL Engineers, Inc. (ENGINEER) will assist the City of Wichita (CITY) in developing an asset management plan for the City's water and wastewater utility which will consist of: (1) establishing goals and desired levels of service, (2) determining the relative risk of infrastructure asset failure and identifying risk mitigation options to reduce the risk of failure to acceptable levels, (3) evaluate operations and maintenance procedures for performance improvement and cost savings, (4) prepare an organizational and staffing plan to support efficient and effective operations and maintenance, and (5) develop a decision support tool to assess capital improvement and project delivery alternatives, operations and maintenance alternatives, and financing alternatives.

This project includes the following infrastructure:

<u>Water Infrastructure</u>	<u>Wastewater Infrastructure</u>
Central Water Treatment Plant	Plant No. 1 Grove Street Pump Station
Hess Pump Station	Plant No. 2 Lower Arkansas River WQRF
NE Water Booster Pump Station	Plant No. 3 Cowskin Creek WQRF (NW)
SE Water Booster Pump Station	Plant No. 4 Four-Mile Creek WQRF (FMC)
West Water Booster Pump Station	Plant No. 5 Mid-continent WQRF (MCP)
Well Fields	Lift Stations (60 total)
ASR SWTP – Phase I and Phase II	Collection System
Raw Water Supply Lines	
Cheney Intake, PS and Ozone	
Distribution System and Towers	

Project Management

Purpose: Establish and maintain effective communication and project scope, schedule, and budget control throughout the duration of the project.

The ENGINEER will perform the following activities:

1. Develop a Project Management Plan (PMP):
 - 1.1. Project team instructions and work plans will be developed for direction in completing the scope of work.
 - 1.2. A Quality Management Plan will be developed for quality assurance/quality control (QA/QC) activities to be accomplished during the scope of work.
 - 1.3. Field Safety Instructions (FSI) will be developed and updated as needed to reflect work for this project.
2. Project Oversight
 - 2.1. Plan, coordinate and oversee risk assessment activities.
 - 2.2. Coordinate condition assessment team activities
 - 2.3. Participate in monthly coordination meetings with CITY's Utilities Asset Manager.
3. Progress Reporting and Invoicing:
 - 3.1. Prepare monthly progress reports and invoices for submittal to CITY's designated project manager.
4. Subconsulting Agreement Setup and Administration; Subcontracts are anticipated to be established for:
 - 4.1. Table Rock Capital
 - 4.2. Utility HelpNet, Inc.

Project Management Deliverables:

1. Project Management Plan including Field Safety Instructions and Quality Management Plan.
2. Monthly Progress Status Reports and Invoices.

Project Management Assumptions:

1. Up to sixteen monthly coordination meetings in Wichita will be attended by the ENGINEER's Project Manager with two of these meetings attended by the ENGINEER's Project Director.
2. Two subconsultant agreements will be executed and administered.

3. The CITY will provide a full time Utilities Asset Manager to assist the ENGINEER in delivering this project.
4. The ENGINEER will facilitate the formation of the CITY's Utility Asset Management (UAM) Team to be led by the CITY's Utilities Asset Manager. The UAM Team should include manager-level staff from the following divisions: Administration, Engineering, Water Production and Pumping, Distribution, Collection, and Sewage Treatment. The CITY may also want to include representatives of other relevant CITY departments (e.g., Finance, Risk Management & Safety) on the UAM Team. The UAM Team will provide guidance and requested information to the ENGINEER throughout the project. At times, it will be beneficial for the UAM Team to form functional teams of other staff members to focus on specific asset groups.

Project Tasks

Task 1: Program Visioning and Foundation for Risk Assessment

Task 1.1: Gather Information and Data

At the beginning of the project, the ENGINEER will request information and data concerning the water and wastewater systems. Additional and more specific information and data will likely be requested during the course of the project. If specific asset data are not documented and require extensive staff interviews to gather, the ENGINEER will notify the CITY of the estimated additional effort required before beginning to gather that information. Examples of the initial information and data request will include the following:

Detailed organizational charts ¹	Service area maps showing vertical and linear assets
Expense Budget by line-item ¹	Master Plans / Facility Plans
Capital Budget by project ¹	Description of facilities and site plans
Actual expenditures by line item and project ²	Asset register (i.e., inventory with detail)
Staffing levels by position	Operating reports ²
Position descriptions	Maintenance / repair records ²
Employee tenure by position	Maintenance schedules and job plans
Employee turnover by position ²	Standard Operating Procedures
Staffing and organizational reports	Condition and performance assessment results
Overtime records ²	Safety inspection reports ²
Description of staffing by facility and shift	Levels of service targets and actual ²
Description of stand-by / on-call staffing	Performance measure targets and actual ²
Safety incident reports ²	Description of CMMS, GIS, other IT applications
Description of training program	Work order reports (open, completed, backlog, etc.)

¹Current, proposed, and past 3-years

²Year-to-date and past three years

Task 1.2: Situational Assessment based on Effective Utility Management (EUM) Attributes

With guidance from the ENGINEER, the CITY’s Utilities Asset Manager will lead a self-assessment of the Utility using the assessment tool contained in the publication, *Effective Utility Management – A Primer for Water and Wastewater Utilities*. The results of the self-assessment along with input from those CITY staff participating in the self-assessment will be provided to the ENGINEER. In addition, the CITY will provide the ENGINEER with the Utility’s performance metrics (last 5 years). These performance metrics should be aligned, to the extent possible, with those performance measures used in the Effective Utility Management (EUM)

publication and AWWA's benchmarking program. If requested, the ENGINEER will provide the definitions of the performance measures for which the metrics from the CITY are needed.

The results of the EUM self-assessment and the performance metrics will be used to assist in identifying potential areas of improvement in efficiency and effectiveness in delivering water and wastewater services.

Task 1.3: Identify Short- and Long-Term Goals

The CITY will provide the ENGINEER with the Utility's short- and long-term goals. The CITY will determine goals through its understanding of the elected and appointed officials' expectations, and input from internal (CITY employees), and external (customers, community) stakeholders. The goals will be evaluated by the UAM Team and the ENGINEER to guide the development of Levels of Service (Task 1.4) and to determine the criteria for the development of the decision support tool in Task 4.

Task 1.4: Establish Levels of Service (LOS)

Based on the results of the previous tasks, and experience in developing asset management programs, the ENGINEER will recommend LOS and targets for the CITY's water system, as well as make suggestions, as applicable, for modifying the LOS and targets previously developed for the wastewater system. The objective will be to maintain consistency in the LOS categories between the water system and the wastewater system, although targets and detailed criteria will be specific to the utility system. The ENGINEER will review the recommended LOS and targets with the UAM Team so that consensus can be reached. If consensus cannot be reached, the Utilities Asset Manager will direct the ENGINEER on what the LOS and targets should be.

Task 1.5: Develop Asset Hierarchy

The CITY will develop and provide to the ENGINEER an asset hierarchy of the CITY's water system, both for vertical and for linear assets. The water system hierarchy should follow the same framework as the wastewater system hierarchy that was previously developed by the ENGINEER. The ENGINEER will provide guidance on the structure of the asset hierarchy and the assets that should be included in the hierarchy.

Task 2: Risk Based Comprehensive Asset Management and Capital Planning

Task 2.1: Develop Asset Risk Framework

In a half-day workshop, the ENGINEER will work with the UAM Team to develop the criteria and scoring systems for quantifying the consequence of asset failure and the likelihood of asset failure for water system assets. Since failure is defined as an asset not meeting its desired levels of service, the criteria and scoring system for consequence of failure will be aligned with the LOS established (Task 1.4). The water system criteria and scoring system will be aligned with the criteria and scoring system used for the wastewater system as appropriate.

Task 2.2: Perform Top-Down Risk Assessment

The ENGINEER will work with the UAM Team and the designated functional teams to evaluate assets and asset groups of the water system by applying the Top-Down approach to the asset hierarchy. (This Top-Down risk assessment was previously applied to the wastewater system). Assets will be evaluated down to the fourth or fifth level of the asset hierarchy for consequence and likelihood of failure, as appropriate, based on the risk of the parent asset. Input from the UAM Team and functional teams are crucial to understanding and scoring both the consequence of failure and the likelihood of failure. The ENGINEER will also review available asset records and data from sources, such as work order management systems, and query staff to obtain information on asset performance and condition. Consequence and likelihood will be quantified using the matrices developed in Task 2.1. The relative risk among the individual major assets and asset groups will then be calculated using an Excel spreadsheet. The assets and asset groups will be prioritized by risk, consequence and likelihood, and presented in a meeting with the UAM Team for discussion and for determination of an acceptable level of risk.

Task 2.3: Perform Field Condition Assessments

Based upon the results of the risk assessment, the ENGINEER will prepare a prioritized list of no more than 500 vertical assets recommended for field condition assessment. In general, higher priority will be given to assets having a relatively high consequence score and for which the level of confidence in staff's knowledge of the assets' physical condition is not high (i.e., a detailed condition assessment has not recently been performed). The prioritized list will be presented to the UAM Team for comments, additions and deletions. The list will be finalized indicating the selected assets to be assessed, and a schedule for conducting on-site condition assessments will be prepared. The following are examples of asset categories that may be included in the recommended list.

- Pumps
- Motors (electric)
- Vacuum systems
- Compressed air systems
- Electrical equipment
- Boilers
- Heat exchangers
- Instrumentation
- Generators
- Tanks (visible portion(s))
- Piping and valves (exposed)
- Vaults (visible portion(s))
- Blowers
- Miscellaneous mechanical equipment

For each of the assets selected for condition assessment, the ENGINEER will review available information on the assets' characteristics, drawings, maintenance history, and data from instrumentation/SCADA systems. The ENGINEER will facilitate a workshop with the UAM Team and functional teams to develop a common understanding of the information to be collected for each asset category, and decide on the set of criteria to be used in the condition assessments. The ENGINEER will provide standardized asset condition assessment criteria as a starting point. The selected criteria and asset data will be uploaded into the ENGINEER's Asset Condition Evaluation System (ACES) which will be used to record the appropriate information

during the assessments.

The condition assessment will be based on the apparent condition of the assets using direct observation methods. While most condition assessment factors will be specific to the type of asset being assessed, the following are general condition assessment factors that are common to several types of assets:

- Corrosion (visual inspection only)
- Lack of evidence of preventive maintenance
- Lack of evidence of calibration
- Evidence of wear or deterioration
- Inability of asset to perform designated function
- Excessive vibration
- Thermographic results
- Unusual noise, heat or smell
- Safety issues
- Compliance with current equipment standards and parts availability

Information will be captured using laptops, tablets or other hand-held devices running the ACES application. All assets selected for condition assessment will be graded in accordance with the guidance of the International Infrastructure Management Manual, using a condition grade of “1” through “5”, with “1” being very good and “5” being very poor. Digital photos will be taken of assets receiving a condition grade of 3, 4 or 5.

Task 2.4: Refine Risk Assessment Using Field Condition Assessments

The initial risk assessment conducted under Task 2.2 will be refined by replacing the initial condition score of assets with the actual condition score determined from the on-site condition assessments. If a condition assessment was not performed for an asset, the initial condition score will be used. Asset risk will be recalculated, and an updated ranking of assets by relative risk and likelihood of failure will be developed. The rankings will be presented to the UAM Team in a half-day workshop. The UAM Team will be asked to determine an acceptable level of risk, and to select assets having a risk above the acceptable level to be addressed in the Task 2.7.

Task 2.5: Identify Infrastructure Needs Due to Performance

The CITY will identify performance criteria for future infrastructure needs based on hydraulic and process modeling for linear and vertical assets, and identify assets requiring improvements due to performance issues. This information will be provided by the CITY to the ENGINEER to be used in Task 2.8 to identified needed improvements that are not related to reducing the risk of asset failure, but rather to determine the best investment of capital to meet the desired level of service due to unacceptable performance for reasons such as hydraulic capacity or treatment capabilities. Drivers for performance criteria may include but not be limited to population growth, commercial and industrial growth, technology change, and regulatory change.

Task 2.6: Forecast Asset Remaining Useful Life and Degradation

The CITY will provide the ENGINEER with installation and construction dates, and/or age of all infrastructure assets. The remaining useful life of vertical assets will be estimated by the

ENGINEER based on industry standards, available maintenance records, the knowledge of CITY staff, asset condition as found from the onsite condition assessment conducted under Task 2.3, and from knowledge of the City staff for assets that did not undergo an onsite condition assessment. The rates for vertical asset degradation will be estimated based on the ENGINEER's experience in operating water and wastewater facilities along with industry guidance.

The remaining useful life of linear assets will be estimated based on industry standard useful lives for each type of pipe material (to the extent known), pipe age, and available break history and maintenance history. Useful lives of pipes will be modified as appropriate for environmental conditions, such as soil corrosivity, if known. The rates for linear asset degradation will be estimated using industry standard survival curves for the pipe material.

Task 2.7: Identify Risk Mitigation Options for Assets with an Unacceptable Risk of Failure

Once the relative risk of the assets is finalized, the ENGINEER will work with the UAM Team to identify risk reduction options for those assets having an unacceptable level of risk. Risk reduction options for individual assets may include capital improvement projects, modification of O&M protocols, or other actions that can lead to a reduction in the consequence and/or likelihood of asset failure.

The ENGINEER will develop order-of-magnitude cost estimates and determine the degree of risk reduction for each option selected, calculate the expected ratio of risk reduction-to-cost, and present the results to the UAM Team. Costs will be developed based on the ENGINEER's cost data and input from the CITY's staff.

Task 2.8: Identify Alternatives to Meet Additional Needs

The ENGINEER will develop alternatives to meet future infrastructure performance needs as identified by the CITY under Task 2.5. The ENGINEER will depend upon the CITY to model identified alternatives associated with improving capacity, hydraulic performance and water quality in the water transmission and distribution system, as well as capacity and hydraulic performance in the wastewater collection system, and provide the results to the ENGINEER. The ENGINEER will develop order-of-magnitude cost estimates for the alternatives determined to meet the future needs. Costs will be developed based on the ENGINEER's cost data and input from the CITY's staff.

Task 2.9: Perform Business Case Evaluations for Options and Alternatives

The ENGINEER will propose a Business Case Evaluation (BCE) framework to evaluate projects identified under Task 2.7, Identify Risk Mitigation Options for Assets with an Unacceptable Risk of Failure, and Task 2.8, Identify Alternatives to Meet Additional Needs. The framework will include recommended criteria to establish and create a system to quantify the benefits of options and alternatives, including alternative delivery and financing, and methodology to estimate lifecycle costs of the options and alternatives. In addition, the ENGINEER will propose a BCE template to be used.

The ENGINEER will work with the UAM Team to refine the proposed framework and template to meet the CITY's needs and finalize framework and template. The CITY will perform all required BCEs using the framework and template. The BCEs will be reviewed by the ENGINEER, and recommendations on which options and alternatives should be selected will be made to the UAM Team for a final determination on which options and alternatives should be considered for developing capital plan scenarios (Task 2.10) and operations and maintenance scenarios Task 3.6).

Task 2.10: Develop Capital Plan Scenarios

Together with input from the UAM Team, the ENGINEER will develop up to five scenarios for implementing the options and alternatives selected by the CITY under Task 2.9. In developing the scenarios, the ENGINEER will consider project timing, delivery methods, lifecycle cost and performance, type of infrastructure improvement, geographic location, and the organizational capacity of the CITY staff and contractors to deliver the projects. These five scenarios will be evaluated and compared through the Decision Support Tool to be developed under Task 4 in order to develop capital and operational "pro forma" needs.

Task 3: Operations and Maintenance Planning

Task 3.1: Assess Operations and Maintenance Functions with Respect to Goals

In a full-day workshop, ENGINEER will work with the utility O&M staff to evaluate current Operations and Maintenance functions against utility goals and desired levels of service (established in Task 1.4). During the workshop, ENGINEER will work with the utility O&M staff to establish Operations and Maintenance criteria that will form the basis for the operations, preventive maintenance, and organization/staffing optimization analyses. The results of the workshop will be utilized to guide the optimization of current O&M functions.

Task 3.2: Conduct Operations Optimization Analysis

The ENGINEER will perform a desktop review of operations data, energy usage, chemical consumption, and treatment performance to determine if operational savings or performance enhancements can be achieved. Hydraulic and process modeling data provided by the CITY from Task 2.5 will be used to confirm and quantify areas of operational savings and/or performance enhancements. Based on the desktop review, the ENGINEER will recommend further analysis if it appears the permitted capacity of facility(ies) may be able to be increased based upon the modeling results.

Task 3.3: Conduct Preventive Maintenance Optimization Analysis

The ENGINEER will conduct a preventive maintenance optimization (PMO) analysis which will begin with a desktop assessment of the coverage, suitability, completeness and accessibility of the utility's preventive maintenance job plans (PM JPs) for vertical assets within the water and

wastewater pumping and treatment systems. The goal of the PMO analysis is to increase equipment reliability by performing the appropriate PM tasks on the equipment that will prevent known equipment failure modes, at intervals that will detect equipment failure before it occurs. To begin, the ENGINEER, with input from the O&M staff, will conduct the assessment by asset class (pump, motor, blower, etc.). Equipment specific operating context will not be considered. The PMO analysis will be performed on those asset classes with a relatively high consequence of failure as determined in the risk analysis performed under Task 2.

For these high consequence asset classes, the ENGINEER will review the information in the CITY's CMMS to determine how complete and mature the existing preventive maintenance PM JPs are for the equipment type. If the information is not available from the CITY's CMMS, the ENGINEER will conduct staff interviews to develop an inventory of existing PM JPs to support the assessment. This inventory will be compared to the PM JPs necessary for operational efficacy based upon ENGINEER's experience and industry guidance by equipment type. Gaps will be noted and the ENGINEER will prepare a comprehensive list of recommended new PM JPs that will either replace existing PM JPs or serve to fill noted gaps.

For those existing PM JPs that are found to be appropriate, the ENGINEER will review them for completeness with respect to structure and content considering leading practice for PM JPs, such as:

- Descriptive title
- Purpose statement
- Equipment condition (LOTO, running, planned shut-down, etc.)
- Responsible personnel and number of people required
- Safety procedure identified
- Definitions and references
- Skills required
- List of materials, tools and equipment required
- Time allotted to perform the PM JP
- Detailed procedures with step by step tasks
- Author and approval date

ENGINEER will identify those existing PM JPs that require improvement and make appropriate recommendations for such improvement. Further, ENGINEER will assess how recommendations are incorporated and any outdated PM JPs that are discarded. Recommendation for improvement will be offered if appropriate, however, any rewriting of existing PM JPs or the development of new PM JPs will be the responsibility of the CITY.

Task 3.4: Prepare Organizational and Staff Plan Analysis

The ENGINEER will evaluate staffing levels for operations and maintenance of utility facilities. The evaluation will begin with a review of current staffing levels by position, applicable job descriptions, shift assignments, overtime, employee tenure, and employee turnover. Staffing levels will be reviewed using the following, as appropriate:

1. Industry benchmarking
2. Selected benchmarking with similar utilities

3. ENGINEER's direct experience and knowledge gained in operating over 200 water and wastewater facilities for the past 25 years
4. Bottom-up development using a tool (e.g., NEIWPCC's *Guide for Estimating Staffing at Publicly and Privately Owned Wastewater Treatment Plants*), assessing actual workload at the CITY's facilities by process, and required staffing from regulations and permit conditions.

To examine whether the staff have the necessary competencies to effectively and efficiently operate and maintain the utility systems, the following will be performed:

1. Interviews of managers and supervisors
2. Workshop with a focus group of employees
3. Comparison of job descriptions and minimum requirements to needed competencies
4. Review of employee certifications (mandatory and voluntary)

The results of the skills and training assessment will be considered in finalizing the recommendations for staffing levels to address the impact of staffing from increased learning and skills development. Further, the ENGINEER will look at the organizational structure compared to the capabilities of the staff and operational objectives.

Task 3.5: Forecast Cost Savings

Based on the findings from the previous tasks, the ENGINEER will identify opportunities for cost savings that may be generated from operations and performance enhancements, preventive maintenance optimization, risk transfer opportunities, and staffing analysis. The CITY's actual expenditures over the past three years, available future projections, and long-term lifecycle financial modeling will be used in the cost savings analysis.

Task 3.6: Develop Operations and Maintenance Plan Scenarios

The ENGINEER will develop up to five scenarios that consist of a variety of possible O&M and organizational changes that may impact costs. These scenarios will include an "optimistic," "pessimistic," and "middle" forecast of savings, as applicable. The Operations and Maintenance Plan scenarios will be an input into the Decision Support Tool developed in Task 4 to arrive at a recommended combined O&M and capital plan and financial plan.

Task 4: Program Direction

Task 4.1: Develop Criteria for Decision Support Tool

In a half day workshop, the ENGINEER will work with the CITY to identify the output needed for the CITY to make both short- and long-term decisions using the scenarios generated from Task 2.10 and Task 3.6. Such output may include revenue requirements to fund an optimal mix of capital sources and pay-go financing of capital projects with a tradeoff of increased or

decreased O&M costs (i.e., lifecycle costs). Variables may include interest rates, term of financing, overall comparative lifecycle costs, level of rate affordability, and project delivery alternatives. Based on the desired outputs, the necessary inputs will be decided along with the criteria to be used in the evaluation.

Task 4.2: Develop Decision Support Tool

The ENGINEER will develop a decision support tool, utilizing Excel VBA (Visual Basic for Applications), based on the conclusions reached under Task 4.1. An additional half day workshop with the CITY will likely be required to review the functionality, appearance, and formatting of the decision support tool and its outputs.

Task 4.3: Model Scenarios

The ENGINEER will use the Decision Support Tool to model the scenarios generated from Task 2.10 and Task 3.6. The model will be used to generate “optimistic,” “pessimistic,” and midline projections, and will support comparative analysis of all delivery methods and capital sources. The results will be presented to the CITY in a half day workshop. The ENGINEER will re-run the model one additional time should the CITY desire to alter some assumptions for one or more scenarios. The results of the re-run of the model will be presented in an additional half day workshop with CITY staff. The CITY will then direct the ENGINEER as to which five scenarios should be used to prepare pro forma financial plans.

Task 4.4: Capital and O&M Pro Forma Scenarios

The ENGINEER will prepare pro forma needs and delivery options for both capital investment and O&M expenditures for the scenarios chosen under Task 4.3. The forecasted needs and delivery options will be presented to the CITY in a half day workshop, along with options for funding the identified needs. The CITY will be asked to choose which funding options should be considered for developing financial plans in Task 4.5.

Task 4.5: Develop Financial Plans

The ENGINEER will prepare a comparison of funding plans and delivery options for the capital and O&M scenarios based on the direction given by the CITY at the workshop held under Task 4.4. The funding plans will be presented to the CITY in an additional half day workshop during which the CITY will be asked to select the recommended capital and O&M plans and the associated funding plan implementation.

Task 4.6: Recommend Capital and O&M Plan

Based on the outcome of the workshops held under Task 4.4 and Task 4.5, the ENGINEER will develop a detailed capital and O&M plan for the recommended scenario. A recommendation for project delivery and service delivery to support the recommend plan will also be developed. Information to support the CITY with community and stakeholder engagement will be prepared as well.

Task 4.7: Recommend Financial Plan

The ENGINEER will develop a detailed financial plan for the recommended capital and O&M plan developed under Task 4.6. Information to support the CITY with community and stakeholder engagement will be prepared as well.

Task 4.8: Prepare Report

The ENGINEER will prepare a draft report summarizing the approach, outcomes and recommendations of the project for review and approval by the CITY. Upon receiving comments from the CITY, the ENGINEER will revise the draft report as applicable and submit a final report to the CITY. Both the draft and final reports will be submitted in an electronic format; no hard copies will be provided.

Additional Project Assumptions

The following additional project assumptions were made in developing the Scope of Work:

1. Task 1 – Program Visioning and Foundation for Risk Assessment will include one (1) full day workshop to support project kick-off, review Effective Utility Management attributes and Key Performance Indicators, short and long term goals, levels of service, and asset hierarchy requirements.
2. Task 1.1 – Kick-off and Gather Information and Data, requested information will be provided to the ENGINEER by the CITY in a timely fashion.
3. Task 1.5 – Develop Asset Hierarchy, the CITY will provide a useable asset hierarchy as described in the scope of work above.
4. Condition assessments are limited to exposed assets; condition assessment of buried, below ground, subaqueous, and assets that are not accessible for close-up visual inspection are not included in this scope.
5. Condition assessment of pipelines is limited to visual inspection of the exterior of exposed portions of the pipelines.
6. CITY staff will be available to accompany the condition assessment teams to provide access to facilities and assets, take necessary safety measures, and are able to turn equipment on and off as required.
7. Task 2.3 – Conducting On-Site Condition Assessments will be limited to a maximum of 500 individual vertical assets for on-site condition assessment. No on-site condition assessments will be made for linear assets; condition of linear assets will be judged based on input from the CITY staff, documented summaries from previous condition assessments, review of work orders, and industry practice of the useful life linear assets.
8. Task 2.5 – Identify Additional Infrastructure Needs Due to Performance will include CITY provided determination of future asset needs and performance criteria as well as

hydraulic and process modeling to confirm asset performance and capabilities. The CITY will identify assets requiring performance enhancements which will be incorporated into Task 2.8. The ENGINEER has budgeted 100 hours to support the CITY in providing the work identified in this task.

9. Task 2.7 – Identify Risk Mitigation Options for Assets Having an Unacceptable Risk of Failure will be limited to developing risk reduction options for a maximum of the 5 highest risk assets.
10. Task 2.8 – Identify Alternatives to Meet Additional Needs will be limited to developing alternatives for a maximum of the 5 assets.
11. Task 2.9 – Perform Business Case Evaluations (BCE) of Options and Alternatives, the BCE will be performed by the CITY using criteria and templates developed during the project.
12. Task 2.10 – Develop Capital Plan Scenarios will be limited to development of a maximum of 5 scenarios.
13. Task 3.2 – Conduct Operations Optimization Analysis will utilize CITY provided information from Task 2.5.
14. Task 3.3 – Conduct Preventative Maintenance Optimization Analysis will identify opportunities for improvement in PM JPs, however any rewriting of existing PM JPs or the development of new PM JPs will be the responsibility of the CITY.
15. Task 3.6 – Develop Operations and Maintenance Improvement Plan Scenarios will be limited to development of a maximum of 5 scenarios.
16. Task 4.4 – Capital and O&M Pro Forma Scenarios will be limited to development of a maximum of 5 scenarios.
17. Task 4.5 – Develop Financial Plans will be limited to development of a maximum of 5 financial plans.
18. In providing opinions of cost, financial analyses, economic feasibility projections, and schedules for the Project, ENGINEER has no control over cost or price of labor and materials; unknown or latent conditions of existing equipment or structures that may affect operation or maintenance costs; competitive bidding procedures and market conditions; time or quality of performance by operating personnel or third parties; and other economic and operational factors that may materially affect the ultimate Project cost or schedule. Therefore, ENGINEER makes no warranty that the CITY's actual Project costs, financial aspects, economic feasibility, or schedules will not vary from ENGINEER's opinions, analyses, projections, or estimates.

EXHIBIT "B"

MILESTONE SCHEDULE
CITY OF WICHITA, KANSAS
DEVELOPMENT OF AN ASSET MANAGEMENT PLAN

This Exhibit B includes a summary of projected schedule milestones for the Agreement for Professional Services for the City of Wichita, Kansas Development of an Asset Management Plan project.

Project Tasks	Date
Anticipated Notice to Proceed	November 1, 2015
Project Management	
Task 1 Program Visioning and Foundation for Risk Assessment	
1.1 Kick-off and Gather Information and Data	
1.2 Situational Assessment based on Effective Utility Management Attributes	
1.3 Identify Short and Long-Term Goals	
1.4 Establish Levels of Service	
1.5 Develop Asset Hierarchy	
Task 2 Risk Based Comprehensive Asset Management and Capital Planning	
2.1 Develop Asset Risk Framework	
2.2 Perform Top-Down Risk Assessment	
2.3 Perform Field Condition Assessments for High Consequence of Failure Assets	
2.4 Refine Risk Assessment with Information from Field Condition Assessments	
2.5 Identify Additional Infrastructure Needs Due to Performance	
2.6 Forecast Asset Degradation and Remaining Useful Life Based on Condition and Performance	
2.7 Identify Risk Mitigation Options for Assets Having an Unacceptable Risk of Failure	
2.8 Identify Alternatives to Meet Additional Needs	
2.9 Perform Business Case Evaluation for Options and Alternatives	
2.10 Develop Capital Plan Scenarios	
Task 3 Operations & Maintenance Planning	
3.1 Assess O&M Functions with Respect to Goals	
3.2 Conduct Operations Optimization Analysis	
3.3 Conduct Preventive Maintenance Optimization Analysis	
3.4 Prepare Organizational and Staff Plan Analysis	
3.5 Forecast Cost Savings	
3.6 Develop O&M Plan Scenarios	

Task 4 Program Direction

- 4.1 Develop Criteria for Decision Support Tool
- 4.2 Develop Decision Support Tool
- 4.3 Model Scenarios
- 4.4 Capital and O&M Pro Forma Scenarios
- 4.5 Develop Financial Plan
- 4.6 Recommend Capital and O&M Plan
- 4.7 Recommend Financial Plan
- 4.8 Prepare Report

Project Completion Date

February 28, 2017

EXHIBIT "C"

COMPENSATION
CITY OF WICHITA, KANSAS
DEVELOPMENT OF AN ASSET MANAGEMENT PLAN

This Exhibit C lists compensation for the Development of an Asset Management Plan project. This Exhibit C supersedes all prior written or oral understandings of the compensation, and may only be changed by mutual agreement of both parties.

This is a billing rates contract with a not-to-exceed limit as defined in this attachment. ENGINEER cannot exceed the contract limit without prior written authorization from the CITY's Project Manager. As such, ENGINEER's compensation will be based upon the total hours worked on the Project by each employee, multiplied by the hourly rate for that employee or employee's job classification. Labor-related charges included in the hourly rate include salary rates, fringe benefits, general and administrative overhead, and profit. General and administrative overhead includes indirect expenses and costs not identifiable as directly allocable to individual projects. Direct expenses are charges, other than those included in time-related charges, incurred directly for the Project. Direct expenses and sub-consultant services, will be reimbursed at ENGINEERS' cost.

This is a task-based budget, so labor and expenses must be invoiced on a per-task basis. It is allowable, within reason, for ENGINEER to exceed the budget on a task(s) as long as ENGINEER's costs do not exceed the total agreed upon contract limit.

Project Tasks

- Project Management**
 - Task 1 Program Visioning and Foundation for Risk Assessment**
 - 1.1 Kick-off and Gather Information and Data
 - 1.2 Situational Assessment based on Effective Utility Management Attributes
 - 1.3 Identify Short and Long-Term Goals
 - 1.4 Establish Levels of Service
 - 1.5 Develop Asset Hierarchy
 - Task 2 Risk Based Comprehensive Asset Management and Capital Planning**
 - 2.1 Develop Asset Risk Framework
 - 2.2 Perform Top-Down Risk Assessment
 - 2.3 Perform Field Condition Assessments for High Consequence of Failure Assets
 - 2.4 Refine Risk Assessment with Information from Field Condition Assessments
 - 2.5 Identify Additional Infrastructure Needs Due to Performance
 - 2.6 Forecast Asset Degradation and Remaining Useful Life Based on Condition and Performance
 - 2.7 Identify Risk Mitigation Options for Assets Having an Unacceptable Risk of Failure
 - 2.8 Identify Alternatives to Meet Additional Needs
 - 2.9 Perform Business Case Evaluation for Options and Alternatives
 - 2.10 Develop Capital Plan Scenarios
-

Task 3 Operations & Maintenance Planning

- 3.1 Assess O&M Functions with Respect to Goals
- 3.2 Conduct Operations Optimization Analysis
- 3.3 Conduct Preventive Maintenance Optimization Analysis
- 3.4 Prepare Organizational and Staff Plan Analysis
- 3.5 Forecast Cost Savings
- 3.6 Develop O&M Plan Scenarios

Task 4 Program Direction

- 4.1 Develop Criteria for Decision Support Tool
- 4.2 Develop Decision Support Tool
- 4.3 Model Scenarios
- 4.4 Capital and O&M Pro Forma Scenarios
- 4.5 Develop Financial Plan
- 4.6 Recommend Capital and O&M Plan
- 4.7 Recommend Financial Plan
- 4.8 Prepare Report

Project Total Cost \$ 1,721,800.00

Per Diem Code Hourly Labor Rate Schedule

Per Diem Codes	2015 Hourly Rates*	2016 Hourly Rates*	Typical Labor Billing Titles**
01	\$ 301.50	\$ 310.50	Sr. Program Manager; Sr. Technology Fellow
02	\$ 281.75	\$ 290.25	Program Manager, Technology Fellow
03	\$ 257.25	\$ 265.00	Senior Project Manager, Principal Technologist
04	\$ 225.75	\$ 232.50	Project Manager/Sr. Technologist
05	\$ 200.25	\$ 206.25	Associate Project Manager, Engineer Specialist
06	\$ 174.50	\$ 179.75	Project Engineer, Construction Manager 2
07	\$ 150.75	\$ 155.25	Associate Engineer, Construction Manager 1
08	\$ 126.00	\$ 129.75	Staff Engineer 2
09	\$ 106.75	\$ 110.00	Staff Engineer 1
10	\$ 106.75	\$ 110.00	Staff Engineer 0
11	\$ 164.00	\$ 169.00	Engineering/CAD Tech 5
12	\$ 137.25	\$ 141.25	Engineering/CAD Tech 4
13	\$ 118.75	\$ 122.25	Engineering/CAD Tech 3
14	\$ 99.75	\$ 102.75	Engineering/CAD Tech 2
15, 16	\$ 94.00	\$ 96.75	Engineering/CAD Tech 1
19	\$ 99.75	\$ 102.75	Office/Clerical/Accounting
19	\$ 62.50	\$ 64.50	Site Clerical; Site Project Accounting Assistant

** Hourly labor rates are subject to annual escalations*

***Hourly billing rates based on each individual's assigned per diem code; typical labor billing titles are provided for information only and are not a complete listing of available titles*

EXHIBIT "D"

**REVISED NON-DISCRIMINATION AND EQUAL EMPLOYMENT
OPPORTUNITY/AFFIRMATIVE ACTION PROGRAM REQUIREMENTS
STATEMENT FOR CONTRACTS OR AGREEMENTS**

**CITY OF WICHITA, KANSAS
DEVELOPMENT OF AN ASSET MANAGEMENT PLAN**

During the term of this contract, the contractor or subcontractor, vendor or supplier of the City, by whatever term identified herein, shall comply with the following Non-Discrimination--Equal Employment Opportunity/Affirmative Action Program Requirements:

- A. During the performance of this contract, the contractor, subcontractor, vendor or supplier of the City, or any of its agencies, shall comply with all the provisions of the Civil Rights Act of 1964, as amended: The Equal Employment Opportunity Act of 1972; Presidential Executive Orders 11246, 11375, 11141; Part 60 of Title 41 of the Code of Federal Regulations; the Age Discrimination in Employment Act of 1967; the Americans with Disabilities Act of 1990 and laws, regulations or amendments as may be promulgated thereunder.
- B. Requirements of the State of Kansas:
1. The contractor shall observe the provisions of the Kansas Act against Discrimination (Kansas Statutes Annotated 44-1001, et seq.) and shall not discriminate against any person in the performance of work under the present contract because of race, religion, color, sex, disability, and age except where age is a bona fide occupational qualification, national origin or ancestry;
 2. In all solicitations or advertisements for employees, the contractor shall include the phrase, "Equal Opportunity Employer", or a similar phrase to be approved by the "Kansas Human Rights Commission";
 3. If the contractor fails to comply with the manner in which the contractor reports to the "Kansas Human Rights Commission" in accordance with the provisions of K.S.A. 1976 Supp. 44-1031, as amended, the contractor shall be deemed to have breached this contract and it may be canceled, terminated or suspended in whole or in part by the contracting agency;
 4. If the contractor is found guilty of a violation of the Kansas Act against Discrimination under a decision or order of the "Kansas Human Rights Commission" which has become final, the contractor shall be deemed to have breached the present contract, and it may be canceled, terminated or suspended in whole or in part by the contracting agency;

5. The contractor shall include the provisions of Paragraphs 1 through 4 inclusive, of this Subsection B, in every subcontract or purchase so that such provisions will be binding upon such subcontractor or vendor.

C. Requirements of the City of Wichita, Kansas, relating to Non-Discrimination -- Equal Employment Opportunity/Affirmative Action Program Requirements:

1. The vendor, supplier, contractor or subcontractor shall practice Non-Discrimination -- Equal Employment Opportunity in all employment relations, including but not limited to 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 vendor, supplier, contractor or subcontractor shall submit an Equal Employment Opportunity or Affirmative Action Program, when required, to the Department of Finance of the City of Wichita, Kansas, in accordance with the guidelines established for review and evaluation;
2. The vendor, supplier, contractor or subcontractor will, in all solicitations or advertisements for employees placed by or on behalf of the vendor, supplier, contractor or subcontractor, state that all qualified applicants will receive consideration for employment without regard to race, religion, color, sex, "disability, and age except where age is a bona fide occupational qualification", national origin or ancestry. In all solicitations or advertisements for employees the vendor, supplier, contractor or subcontractor shall include the phrase, "Equal Opportunity Employer", or a similar phrase;
3. The vendor, supplier, contractor or subcontractor will furnish all information and reports required by the Department of Finance of said City for the purpose of investigation to ascertain compliance with Non-Discrimination -- Equal Employment Opportunity Requirements. If the vendor, supplier, contractor, or subcontractor fails to comply with the manner in which he/she or it reports to the City in accordance with the provisions hereof, the vendor, supplier, contractor or subcontractor shall be deemed to have breached the present contract, purchase order or agreement and it may be canceled, terminated or suspended in whole or in part by the City or its agency; and further Civil Rights complaints, or investigations may be referred to the State;
4. The vendor, supplier, contractor or subcontractor shall include the provisions of Subsections 1 through 3 inclusive, of this present section in every subcontract, subpurchase order or subagreement so that such provisions will be binding upon each subcontractor, subvendor or subsupplier.

5. If the contractor fails to comply with the manner in which the contractor reports to the Department of Finance as stated above, the contractor shall be deemed to have breached this contract and it may be canceled, terminated or suspended in whole or in part by the contracting agency;

D. Exempted from these requirements are:

1. Those contractors, subcontractors, vendors or suppliers who have less than four (4) employees, whose contracts, purchase orders or agreements cumulatively total less than five thousand dollars (\$5,000) during the fiscal year of said City are exempt from any further Equal Employment Opportunity or Affirmative Action Program submittal.
2. Those vendors, suppliers, contractors or subcontractors who have already complied with the provisions set forth in this section by reason of holding a contract with the Federal government or contract involving Federal funds; provided that such contractor, subcontractor, vendor or supplier provides written notification of a compliance review and determination of an acceptable compliance posture within a preceding forty-five (45) day period from the Federal agency involved.

