



March 19, 2026

Mr. Stacy Denham
City Manager
City of Chehalis
350 North Market Blvd.
Chehalis, WA 98532

**RE: Agreement for Engineering Services
Market Boulevard Water Main Replacement Project from 11th Street to 21st Street**

City Manager Denham:

Gibbs & Olson is pleased to submit this proposal to provide the City of Chehalis with Engineering Services for the City's Market Boulevard Water Main Replacement from 11th Street to 21st Street Project. This Letter Agreement, together with attached Exhibits A, B and C comprise our proposed Agreement for Engineering Services for this project.

AGREEMENT

RELATIONSHIP

For purposes of this Agreement, the City shall be the City of Chehalis, Washington and the Consultant shall be Gibbs & Olson, Inc., Longview, Washington.

PROJECT DESCRIPTION

The Consultant will provide design engineering services to City for water system improvements within the City's water service as summarized below:

Evaluation and design of approximately 5,100 linear feet of 16-inch water main along Market Boulevard from 11th Street to 21st Street. The project will include new fire hydrants, isolation valves, fittings, water services and connecting to the existing waterlines and surface restoration. The new water main will provide improved water distribution to the south end of the City's water system and increase flow through the existing 18th Street pump station. No improvements will be made to the 18th Street pump station.

SUBCONSULTANTS

The Consultant will utilize sub-consultants for traffic control during field surveying, existing subsurface utility locating and potholing, and cultural and historical resource evaluation required for state and federal funding the City anticipates applying to for construction funding.

SCOPE OF WORK

The scope of work for this project is presented in detail in the attached Exhibit A.

SCHEDULE

Schedule milestone dates are as follows:

- Notice to Proceed Issued by Client – May 4, 2026
- Gather and Review Background Data – June 8, 2026
- Existing Subsurface Utility Locates and Field Survey – July 17, 2026
- Cultural & Historical Resource Survey and Evaluation – August 14, 2026
- Select Subsurface Utility Potholing – Complete by September 11, 2026
- 60% Design Drawings and Opinion of Construction Cost – October 9, 2026
- SEPA Checklist – Completed and ready for City review – October 23, 2026
- Washington Department of Health Drinking Water State Revolving Loan Funding Application – Complete November 30, 2025
- 90% Design Drawing and Contract Documents – March 19, 2027
- 100% Design Drawing and Contract Documents – Complete by May 14, 2027
- Public Works Trust Fund Application – June 25, 2027

The Consultant assumes the City will review submittals and provide review comments within two weeks of receiving submittals. If the Notice to Proceed is after May 4, 2026, milestone dates will be adjusted on a day for day basis.

BUDGET

The Consultant's budget for design phase services for the project is \$498,000 as detailed in the attached Exhibit B – Budget. The Engineer agrees not to exceed this amount in completing the identified Scope of Work without further authorization from the City.

The Consultant will bill the Client monthly for services performed and project expenses. A project status report describing the work completed during the past month, any unforeseen project conditions or issues which have developed, work anticipated to be performed in the next month, and any information needed from City, will also be provided to the City with the monthly invoice.

The Consultant proposes that this letter, together with Exhibits A, B and C, be our Agreement for Services for this project. If you have any questions or would like to discuss this further, please contact me or Tom Gower at your convenience. If, however, this is agreeable please execute two copies of this Agreement and return one executed Agreement to the Engineer. The Consultant will begin work immediately upon receiving the executed Agreement from the City.

APPROVED BY GIBBS & OLSON, INC.

By 
Richard A. Gushman, President

Date March 19, 2026

APPROVED BY CITY OF CHEHALIS

By _____
Stacy Denham, City Manager

Date _____

Attachments:

Exhibit A – Scope of Work

Exhibit B – Budget

Exhibit C – General Conditions

**EXHIBIT A
SCOPE OF WORK
CITY OF CHEHALIS, WASHINGTON
MARKET BOULEVARD WATER MAIN IMPROVEMENTS**

PROJECT DESCRIPTION

The Consultant will provide design engineering services to City for water system improvements within the City's water service as summarized below:

Evaluation and design of approximately 5,100 linear feet of 16-inch water main along Market Boulevard from 11th Street to 21st Street. The project will include new fire hydrants, isolation valves, fittings, water services and connecting to the existing waterlines and surface restoration. The new water main will provide improved water distribution to the south end of the City's water system and increase flow through the existing 18th Street pump station. No improvements will be made to the 18th Street pump station.

ASSUMPTIONS

The Consultant has utilized the following assumptions in preparing this Scope of Work and the associated Budget. If any ultimate facts or events differ from these assumptions, the Consultant's Scope of Work, Schedule, and Budget shall be adjusted accordingly.

1. The Consultant will provide traffic control during field survey work.
2. The City will obtain any required private easements.
3. The City will coordinate with private residences adjacent to the project regarding identified encroachments into the right of way.
4. A SEPA checklist is required because the new pipe will be larger than 12-inches in diameter.
5. A cultural and historical resource survey and evaluation will be required to comply with proposed construction funding source(s) requirements.
6. Because the project corridor has been fully disturbed from past construction no shovel text excavations will be necessary.
7. No historic properties or structures are located within the project limits.
8. There are three streams that cross Market Boulevard through culverts. Crossing of these culverts with the new water line will not require a critical areas report or a Hydraulic Project Approval (HPA) permit from the Washington Department of Fish and Wildlife.
9. The City will pay all permit fees required for the project.
10. No geotechnical investigation or evaluation is included.
11. The Consultant will pothole existing utilities at up to 20 key locations as determined during design.
12. Temporary grind and overlay of the existing roadway surface at utility pothole locations will not be required by the City.
13. Public involvement will be limited to notices on the City's website and billing inserts. Once 60% design documents are completed, this will be re-evaluated to determine if there is any necessary additional coordination required with businesses, schools, churches or residences adjacent to and near the project corridor during final design. If additional public involvement is desired by the City during final design an amendment to this Agreement will be required.
14. The Consultant will address one round of City review comments for each design submittals. Addressing additional rounds of City review comments for any of the design

phase deliverables will be considered out of scope work and will be charged at the Consultant's rates as shown in the attached Exhibit B - Budget.

INFORMATION TO BE PROVIDED TO CONSULTANT BY CITY

To assist in a timely and thorough preparation of the drawings and contract documents, the City shall provide the following items and services to the Consultant as available:

1. As-constructed drawings and specifications of existing utility pipelines within Market Boulevard and adjacent connecting streets.
2. Timely and accurate utility locates.
3. Timely response to questions and review of drawings and contract documents.

DESIGN PHASE ENGINEERING SERVICES

Task 1 – Project Administration and Meetings

The Consultant will perform the following under this task:

- a) General project administration.
- b) Monthly narrative progress reports during project as requested.
- c) Monthly progress meetings with the City discuss progress of the design, information needed from the City, design challenges and schedule. Up to fourteen (14) meetings anticipated. These meetings will be virtual meetings.
- d) Attend up to two (2) City Council meetings at approximately 30% and 60% design completion, if requested by City staff.

Task 2 – Gather and review background data:

If available, the City will provide, and the Consultant will review, available record or design drawings of the existing water lines to be replaced, other existing utility pipelines within Market Boulevard and any previous geotechnical investigation information for the Market Boulevard corridor that may be available.

Task 3 – Topographic Survey

The Consultant will mark out and call for utility locates and will perform a field topographic survey and prepare a base map for use by Consultant in preparing the design drawings.

Consultant will also subcontract with a private third-party locator to mark utilities along the corridor.

Consultant will provide traffic control as needed during private utility locate work and field survey work. The Consultant has budgeted for six (6) days of traffic control during the private utility locate work and the field topographic work. Additional traffic control, if determined to be required, will be out of scope additional work that will be invoiced at the Consultant's standard rates.

Task 4 – Cultural and Historical Resource Survey and Evaluation

Construction for this project is anticipated to be funded in part with a Washington State Public Works Trust Fund (PWTF) loan, a Washington State Department of Health (DOH) Drinking Water State Revolving Fund (DWSRF) loan, which is federal pass-through funding, or both. Both funding sources require a cultural and historic resource survey and evaluation to be completed.

The cultural/historical resource survey and evaluation will be performed in accordance with both Washington Governor's Executive Order 21-02 (GEO 21-02) and Section 106 of the National Historic Preservation Act (NHPA) requirements.

The Consultant will subcontract with a qualified archaeological subconsultant to coordinate with both the Washington State Department of Commerce and the Washington State Department of Health and to prepare and submit a Washington State Department of Archaeology and Historic Preservation (DAHP) EZ-1 project review form to DAHP.

The Consultant will prepare an inadvertent discovery plan for the project that will be included in the construction contract documents.

If requested by DAHP, the Consultant will conduct a cultural resource survey, including a pedestrian survey of the project area. A cultural resource survey report meeting GEO 21-02, Section 106 of the NHPA, SEPA, and DAHP requirements will be prepared. The report will include background sections on the environment, cultural context, and previous research; survey methodologies and results; and project recommendations.

A draft of the survey report will be provided to the City for review. Review comments will be addressed in the final report. The final report will be provided to the City and submitted to DAHP.

Task 5 – Prepare 60% Drawings:

- a) The Consultant will use the topographic survey data to prepare base watermain plan drawings.
- b) Prepare 60% Design Drawings: The Consultant will prepare drawings for the project in AutoCAD Civil3D 2024 format, an opinion of probable construction cost with contingency and will incorporate City, Lewis County, WSDOT, and Consultant standards and details as appropriate.

It is anticipated the design drawings will consist of approximately 19 sheets including a cover sheet, an index, a notes, abbreviations and legend sheet, 13 plan and profile sheets and 4 detail sheets.

- c) Quality Control (QC) project review meetings with the City and Consultant review team are scheduled for one time during preparation of the 60% drawings.
- d) Consultant will perform in-house QC review of the design documents near the 60% completion stage to ensure the documents are consistent in presentation of the design information.
- e) One set of the 60% drawings in electronic pdf format will be submitted to the City for review and comment. City comments will be addressed during preparation of 90% design documents as appropriate.

Task 6 – Prepare Permit Applications

A SEPA checklist is required to be completed because the new watermain will be greater than 12-inches in diameter. The Consultant will prepare the draft SEPA checklist and provide to City for review and comment. It is anticipated that the City will act as lead agency for SEPA review and will issue an Determination of Non-Significance (DNS). The City will then distribute the

SEPA and the associated DNS for review and comment by appropriate regulatory agencies and the public. The Consultant will assist the City in developing responses to any comments received during the public review process. The City will then issue a final SEPA determination which is anticipated to be a DNS for the project.

The majority of the watermain replacement project will be located within city right of way and Consultant will coordinate with the City to apply for and obtain a city right of way permit for construction of the new watermain.

Approximately 300 feet of the project is in Lewis County south of SW 20th Street. It will be necessary to obtain a Lewis County right of way permit to construct the new water main and appurtenances within this short section of the Market Boulevard right-of-way. The Consultant will complete the right-of-way permit application and provide it to the City for submission to Lewis County. It is assumed Lewis County will defer to the City's construction standards for roadway restoration work within the stretch of the project.

Task 7 – Assist with Preparation of PWTF and DWSRF Funding Applications

The City desires to submit construction funding applications to both the Washington State Public Works Trust Fund (PWTF) program and to the Washington State Department of Health (DOH) for Drinking Water State Revolving Funding (DWSRF). The DOH DWSRF application is due in November 2026 and the PWTF application is anticipated to be due in June 2027.

The Consultant will assist the City with preparation of both funding applications. The Consultant will provide the available design drawings and current opinion of construction cost for use as attachments to the funding applications. In addition, the Consultant will assist with preparing appropriate sections of the funding applications.

The DWSRF application is an online application through the Secure Access Washington (SAW) website.

The PWTF application is an online application through Zoom Grants on the Washington State Department of Commerce website.

Task 8 – Prepare 90% Drawings and Contract Documents:

- a) During preparation of 90% complete design drawings, the Consultant will contract with a subconsultant to perform utility potholing of existing utilities, at key locations, within the project limits of Market Boulevard to obtain accurate existing utility information such as depth, size, location, and material type. This information will be used to minimize the risk of conflicts between existing utilities to remain and the new watermain.

The Consultant has budgeted for utility potholing at up to 20 locations within the project limits. Potholing work will consist of:

- Air vacuum excavation of up to twenty (20) test-holes to document existing underground utility locations at key locations of the project.
- Jackhammering or coring of existing asphalt and/or concrete pavement if a given a pothole location is within the hard surface
- Pothole restoration, at each location, will consist of import 5/8" crushed top course backfill or native fill and an EZ-street patch. The pothole subconsultant will provide a 2-year warranty for the restored surfacing from the date pothole restoration is completed.
- Collect utility depth, pipe type and size, and location data with a photograph for each located utility. This assumes that existing utilities are at a depth of 10 feet or less.

The following documents will be provided from the utility pothole locates:

- Pothole data sheets presenting top, bottom, width, diameter and direction of the utility.
- An Excel spread sheet containing all pothole data for the project.
- Google Earth Reference Map link to be provided with photos.
- Photos of all exposed utilities.
- A 1.25-inch diameter zinc washer will be installed at finish grade where each utility is found with measurements to the utility stamped into it.

- b) Prepare 90% Design Drawings, contract documents and opinion of construction cost: The Consultant will continue to prepare drawings for the project, building on the 60% documents. The Consultant will update the opinion of construction cost. The Consultant will begin preparation of contract documents and technical specifications for the project.

It is anticipated the construction contract documents will consist of Engineer's Joint Construction Document Committee's (EJCDC) up front documents consisting of Invitation to Bid, Instructions to Bidders, Bid Package, General and Supplementary Conditions, and Washington State Prevailing Wage Rates. Technical specifications will consist of applicable 17 division format Construction Specification Institute (CSI) technical specifications.

- c) Quality Control (QC) project review meetings with the City and Consultant review team are scheduled for one time during preparation of the 90% drawings and specifications.
- d) Consultant will perform an in-house QC review of the design drawings near the 90% completion stage to ensure the documents are consistent in presentation of the design information.
- e) One set of the 90% drawings, contract documents and technical specifications in electronic pdf format will be submitted to the City for review and comment. City comments will be incorporated into the 100% documents as appropriate.

Task 9 - Prepare 100% Drawings and Contract Documents:

- a) Prepare 100% Design Drawings and contract documents: Consultant will build on the 90% documents to complete the 100% drawings, contract documents and technical specifications. The Consultant's opinion of construction cost will be reviewed, updated as appropriate and finalized.
- b) Consultant will perform an in-house QC review of the design drawings near the 100% completion stage to ensure the drawings are consistent in presentation of the design information.
- c) The 100% design drawings and construction contract documents, ready for bid advertisement, will be provided in pdf format to the City for review and comment. The documents will be suitable both for electronic distribution to prospective bidders and for reproduction.

BID PHASE AND CONSTRUCTION PHASE ENGINEERING SERVICES are not included as part of this contract. If the City desires Consultant to provide construction administration and observation services, such services shall be authorized under a separate authorization.

LIMITATION OF LIABILITY

The Consultant shall not be liable for loss or damage occasioned by delays beyond the Consultant's control, or for loss of earnings, loss of use or other incidental or consequential damages suffered by the City or others, however caused. Consultant's liability hereunder, whether in tort or in contract, for any cause of action, inclusive of legal costs, shall be limited to \$1,000,000.

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Task No.	Task Description	Principal	Project Manager	Engineer V	Engineer III	Engineer II	Sr CAD Tech	Sr Land Surveyor	Land Surveyor	2 Man Survey Crew	Admin Asst	Traffic Control Sub	Locate & Pothole Sub	Cultural Resource Sub	Total Budget
1	Project Administration and Meetings	20	64	40	60	32	0	0	0	0	8	\$0	\$0	\$0	\$48,480
2	Gather and review background data	0	16	16	24	16	0	0	0	0	0	\$0	\$0	\$0	\$14,840
3	Topographic Survey	0	4	2	4	0	12	32	52	100	0	\$19,500	\$0	\$0	\$63,400
4	Cultural Resources/Archaeological Survey	2	4	2	12	0	4	0	0	0	0	\$0	\$0	\$23,500	\$31,150
5	Prepare 60% Drawings	6	40	44	120	80	64	0	0	0	4	\$0	\$0	\$0	\$66,950
6	Prepare Permit Applications	4	16	24	64	40	16	0	0	0	4	\$0	\$0	\$0	\$31,860
7	Assist with Preparation of PWTF & DWSRF Funding Applications	6	24	24	40	48	8	0	0	0	4	\$0	\$0	\$0	\$30,310
8	Prepare 90% Design Drawings and Contract Documents	6	40	60	120	104	80	0	0	0	4	\$0	\$49,500	\$0	\$132,230
9	Prepare 100% Design Drawings and Contract Documents	4	40	60	100	80	80	0	0	0	4	\$0	\$0	\$0	\$68,440
Total Estimated Hours and Cost Subtotal		48	248	272	544	400	264	32	52	100	28	\$19,500	\$49,500	\$23,500	\$487,660
Mileage - 2,000 @ \$0.73/mile GPS Survey Equipment - 2 Units * 90 Hrs/Unit * \$40/Hr/Unit															
Miscellaneous Project Expenses															
TOTAL DESIGN PHASE ENGINEERING BUDGET															
															\$1,680
															\$498,000

EXHIBIT C GENERAL CONDITIONS

1. Compensation

Consultant's compensation for performing the Scope of Services in the attached Exhibit A – Scope of Work is as detailed in the attached Exhibit B – Budget. Consultant will perform work on a time and materials basis and will not exceed the identified budget amount with prior authorization from the City. If during the project, any originally unidentified additional, out of scope work is determined to be required, the Consultant and City will negotiate and execute an amendment to this Agreement prior to such out of scope work being performed by the Consultant.

The Consultant will submit a monthly invoice showing labor categories, hours, rates, and authorized reimbursable expenses.

2. Payment Terms

The City shall pay approved invoices within thirty (30) days of receipt, contingent upon satisfactory performance.

3. Administration

This Agreement will be administered by the City's designated Project Manager and the Consultant's Representative both as identified below:

City Project Manager

Name: Sheena Woods, Capital Projects Manager

Address: City of Chehalis
Public Works Department
2007 NE Kresky Avenue
Chehalis, WA 98532

Phone: 360.345.1029

Email: swoods@ci.chehalis.wa.gov

Consultant Representative

Name: Richard A. Gushman, President

Address: Gibbs & Olson, Inc.
PO Box 400
Longview, WA 98632

Phone: 360.425.0991

Email: rgushman@gibbs-olson.com

4. Insurance and Indemnification

The Consultant shall maintain insurance coverage as follows:

- Commercial General Liability: \$1,000,000 per occurrence / \$2,000,000 aggregate
- Automobile Liability: \$1,000,000 combined single limit
- Professional Liability (Errors & Omissions): \$1,000,000 per claim / aggregate
- Workers' Compensation: As required by Washington State law

Certificates of Insurance, naming the City as an additional insured (except Professional Liability) shall be provided before any work commences.

The City reserves the right to require higher insurance limits, project-specific endorsements, and waiver of subrogation and noncontributory language on a project-by-project basis.

The Consultant shall defend, indemnify, and hold harmless the City, its officers, and employees from and against all claims or liabilities arising out of the Consultant's negligent acts, errors, or omissions under this Agreement or any Task Order issued pursuant to it.

5. Independent Contractor

The Consultant is an independent contractor and not an employee or agent of the City. The Consultant shall be solely responsible for payment of all employee compensation, benefits, taxes, and insurance.

6. Ownership of Documents

All drawings, specifications, reports, and other documents (deliverables) prepared by the Consultant under this Agreement shall become the property of the City. The Consultant shall have no liability arising from the use or reuse, by the City or any third-party, of the deliverables for any project other than the project for which they were prepared. The Consultant may retain reproducible copies for reference or record.

7. Assignment of Subconsultants

This Agreement shall not be assigned, transferred, or subcontracted by the Consultant without prior written approval of the City.

The Consultant shall remain responsible for all work performed by approved subconsultants.

8. Termination

The City may terminate this Agreement upon thirty (30) days' written notice.

In such event, the City shall pay for authorized work performed up to the effective date of termination.

9. Standard of Care

All services performed by the Consultant shall be conducted with the level of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances in the State of Washington.

10. Compliance with Laws

The Consultant shall comply with all applicable federal, state, and local laws, including RCW 39.80, RCW 49.60, nondiscrimination, and public records requirements.

11. Entire Agreement

This Agreement, together with all attached exhibits, and all executed amendments, constitutes the entire Agreement between the parties.

12. Governing Law and Venue

This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. Venue for any action shall be in Lewis County, Washington.

13. Dispute Resolution

The parties agree to attempt in good faith to resolve any dispute arising under this Agreement through mediation prior to initiating litigation, unless otherwise provided in an individual Task Order.