

# Utility Service Co., Inc.

## Water Tower Rehabilitation and Maintenance Agreement



**Owner: Village of Palos Park  
Palos Park, Illinois**

**Tower Size/Name: 500,000 Pedisphere – 123<sup>rd</sup> Street Water Tower**

**Location: 9540 West 123<sup>rd</sup> Street**

**Date Prepared: July 14, 2008**



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## WATER TOWER REHABILITATION AND MAINTENANCE AGREEMENT

This Water Tower Rehabilitation and Maintenance Agreement (hereinafter, "the Agreement") entered into by and between **Village of Palos Park**, whose business address is **8999 W. 123<sup>rd</sup> Street, Palos Park, Illinois 60464** (hereinafter, the "Owner") and Utility Service Co., Inc., whose business address is Post Office Box 1350, 535 Courtney Hodges Boulevard, Perry, Georgia 31069 (hereinafter, the "Company") (The Owner and the Company being sometimes referred to individually as a "Party" and collectively as the "Parties".)

Therefore, in consideration of the mutual promises contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Owner and the Company, the parties agree as follows:

The Owner agrees to engage the Company to provide the professional service needed to rehabilitate and maintain its **500,000** gallon water storage tank and tower located at **9540 W. 123<sup>rd</sup> Street, Palos Park, Illinois 60464** (hereinafter collectively, the "Tower").

**Article 1. Company's Responsibilities.** The Company hereby agrees to perform the following services for the care and maintenance of the subject Tower:

### A. Tower Maintenance Service.

1. The Company shall annually inspect and service the Tower. The Tower will be thoroughly inspected to ensure that the structure is in a sound, watertight condition.
2. Biennially, beginning with the first washout-inspection, the Tower will be completely drained and cleaned to remove all mud, silt, and other accumulations that might be harmful to the Tower or its contents. After cleaning is completed, the interior will be thoroughly inspected and disinfected prior to returning the Tower to service; however, the Owner is responsible for draining and filling the Tower and conducting any required testing of the water. A written report will be mailed to the Owner within fifteen (15) business days after each inspection. The Company will provide at least thirty (30) days prior written notice to the Owner prior to each inspection.
3. The Company shall furnish engineering and inspection services needed to maintain and repair the Tower during the term of this Agreement. The repairs shall include: steel parts, expansion joints, water level indicators, sway rod adjustments, and manhole covers/gaskets.

4. The Company shall clean and repaint the interior and/or exterior of the Tower at such time as complete repainting is needed. The need for interior painting is to be determined by the thickness of the existing liner and its protective condition. When interior repainting is needed, procedures as outlined in the latest edition of the A.W.W.A.-D102 specifications for cleaning and coating of potable water tanks will be followed. Only material approved for use in potable water tanks will be used on any interior surface area. The need for exterior painting is to be determined by the appearance and protective condition of the existing paint. The exterior recoat will not exceed 10 years. The interior recoat will not exceed 12 years. At the time the exterior requires repainting, the Company agrees to paint the Tower with the same color paint and to select a coating system which best suits the site conditions, environment, and general location of the Tower. When painting is needed, all products and procedures will be equal to, or exceed the requirements of the **Illinois Environmental Protection Agency**, the American Water Works Association, and the Society for Protective Coatings as to surface preparation and coating materials. It is agreed by the Owner and the Company that both the interior and the exterior of the Tower shall be cleaned and repainted during the first Contract Year of this Agreement.

5. A lock will be installed on the roof hatch of the Tower. The Company and the Owner will retain a key to the lock, and the Company agrees that it shall not release its key to any third party.

6. The Company will provide emergency services, when needed, to perform all repairs covered under this Agreement. Reasonable travel time, however, must be allowed for the repair unit to reach the Tower site.

7. The Company will furnish pressure relief valves, if requested by the Owner, so that the Owner can install the valves in its water system while the Tower is being serviced.

**B. Chemical Clean Service.**

1. During the first Contract Year of this Agreement and biennially thereafter, during washout-inspections, the Company will apply an NSF 60 approved chemical cleaning agent to the interior walls and floor surfaces of the Tower to treat mineral build-up and bio-film that form on the interior of the Tower surfaces.

2. The Company will fresh water rinse the interior walls and floor surfaces to remove the cleaning agent and to dilute residual concentrations. The Company will also ensure that the rinse water is disposed of properly in on-site drainage in accordance with all applicable environmental rules, regulations and laws of the local, state or federal governments.

3. Thereafter, the Company will complete the washout-inspection as outlined in Article 1.A.2.

**C. Mixing System Installation and Service.**

1. The Company shall install a thirty inch (30") roof access/ventilation man-way on the Tower for the installation of the active mixing system.

2. The Company shall install an active mixing system in the tank portion of the Tower. The particular unit that will be installed in the Tower is a SolarBee 1250V12PWC active mixing system along with its component parts.

3. The Company shall annually inspect and service the active mixing system. The active mixing system will be thoroughly inspected to ensure that the active mixing system is in good working condition.

4. The Company shall furnish engineering and inspection services needed to maintain and repair the active mixing system during the term of this Agreement.

**Article 2. Definition of Contract Year.** A "Contract Year" shall be defined as each consecutive twelve (12) month period following the first day of the month in which the Agreement is executed by the Owner and each subsequent twelve (12) month period thereafter during the time the Agreement is in effect. For example, if an agreement was signed by Owner on April 17, 2007, Contract Year 1 for that agreement would be April 1, 2007 to March 31, 2008, and Contract Year 2 for that agreement would be April 1, 2008 to March 31, 2009, and so on.

**Article 3. Work/Price/Annual Fees.** The Tower shall receive an **interior and exterior renovation and repairs** prior to the end of Contract Year 1, in accordance with the three (3) page scope of work attached hereto as Schedule B and made a part hereof. In regard thereto, the Owner shall be responsible for the Owner's obligations as set forth in Schedule A attached hereto and made part hereof. The first three (3) annual fees shall be **\$136,230.00** per Contract Year. The annual fee for Contract Year 4 and each subsequent annual fee shall be **\$27,502.00** per Contract Year; however, in Contract Year 7 and each third anniversary thereafter, the annual fee shall be adjusted to reflect the current cost of service. In this regard, the Company shall provide the Owner with written documentation to justify any increase. The adjustment of the annual fee shall be limited to a maximum of fifteen percent (15%) (five percent (5%) for each of the three (3) years prior to the adjustment). All applicable taxes are the responsibility of the Owner and are in addition to the stated costs and fees in this Agreement; however, the Company acknowledges that the Owner is currently a tax exempt entity.

**Article 4. Payment Terms.** The annual fee for Contract Year 1, plus all applicable taxes, if any, shall be due and payable upon **completion of the interior renovation or exterior renovation, whichever occurs first. Each subsequent annual fee, plus all applicable taxes, if any, shall be due and payable on the first day of each Contract Year; however, beginning in Contract Year 2, the annual fee can be paid either monthly, quarterly, semiannually, or annually. Owner shall circle the preferred billing frequency. If the Owner does not choose a preferred billing frequency, the Owner will be billed quarterly.** (Note: Due to the length of time that it takes to perform the initial renovation project, it is possible that two (2) annual fees could fall within one budget year for the Owner). Furthermore, if the Owner elects to terminate this Agreement prior to remitting the first three (3) annual fees, the unpaid balance of the first three (3) annual fees shall be due and payable within thirty (30) days of the termination, provided the Company has completed the interior and exterior renovation work as referenced in Schedule B.

**Article 5. Structure of Tower.** The Company is accepting this Tower under this Agreement based upon its existing structure and components; however, the Owner hereby agrees that the Company's obligation to perform under this Agreement is contingent upon the Owner performing or ensuring that the items on Schedule A are properly completed. *Any modifications to the Tower, including, but not limited to antenna installations, shall be approved by the Company, prior to installation or modification and may warrant an increase in the annual fee.*

**Article 6. Environmental, Health, Safety, or Labor Requirements.**

**A. Environmental, Health, Safety, or Labor Requirements.** The Owner hereby agrees that future mandated environmental, health, safety, or labor requirements as well as changes in site conditions at the Tower site which cause an increase in the cost of Tower maintenance will be just cause for modification of this Agreement. Said modification of this Agreement will reasonably reflect the increased cost of the service with a newly negotiated annual fee.

**B. Prevailing Wages.** The work performed under this Agreement is subject to prevailing wages, and the workers who are performing work under this Agreement are to be paid no less than the prevailing hourly rate of wages as set by the appropriate authority. In this regard, the Company agrees to comply with the Illinois Prevailing Wage Act, 820 ILCS 130/1 et seq., as applicable to the Agreement. Prevailing wage rate updates can be obtained by calling the Illinois Department of Labor at (312) 793-2914, or writing to the Illinois Department of Labor at: 310 S. Michigan Avenue, 10<sup>th</sup> Floor, Chicago, Illinois 60604. Note: The Prevailing Wage Act requires the Company and each subcontractor participating on public works projects to submit, monthly, a certified payroll to the Owner. Any future work performed by workers under this Agreement will be subject to the wage determination of the appropriate authority which is in effect when the work is performed. However, the Owner and the Company hereby agree that if the prevailing wage rates for any job or trade classification increases by more than five percent (5%) per annum from the effective date of this Agreement to the date in which any future work is to be performed under this Agreement, then the Company reserves the right to re-negotiate the annual fee(s) with the Owner. If the Company and the Owner cannot agree on re-negotiated annual fee(s), then: (1) the Company will not be obligated to perform the work and (2) the Company will not be obligated to return past annual fee(s) received by the Company.

**Article 7. Excluded Items:** This Agreement does NOT include the cost for and/or liability on the part of the Company for: (1) containment of the Tower for future services performed after the initial renovation in Contract Year 1; (2) disposal of any hazardous waste materials; (3) resolution of operational problems or structural damage due to cold weather; (4) repair of structural damage due to antenna installations or other attachments for which the Tower was not originally designed; (5) resolution of operational problems or repair of structural damage or site damage caused by physical conditions below the surface of the ground; (6) negligent acts of Owner's employees, agents or contractors; (7) damages, whether foreseen or unforeseen, caused by the Owner's use of pressure relief valves; (8) repairs to the foundation of the Tower; or (9) other conditions which are beyond the Owner's and Company's control, including, but not limited to: acts of God and acts of terrorism. Acts of terrorism include, but are not limited to, any damage to the Tower or Tower site which results from unauthorized entry of any kind to the Tower site or Tower.

When containment is required for future rehabilitations under the maintenance agreement, Utility Service Company will make containment available for purchase with a cost to be agreed upon.

**Article 8. Termination.** The Owner shall have the right to continue this Agreement for an indefinite period of time providing Owner makes payment of each annual fee in accordance with the terms herein. This Agreement is subject to termination by the Owner only if written notice of intent to terminate is received by the Company at least ninety (90) days prior to the first day of the upcoming Contract Year. Notice of Termination is to be delivered by registered mail to Utility Service Co., Inc., Attn: Customer Service, P.O. Box 1350, Perry, Georgia 31069, and signed by either the Owner's Mayor or Village Administrator. Any termination is subject to the terms of Article 4 hereinbefore.

**Article 9. Assignment.** The Owner may not assign or otherwise transfer all or any of its interest under this Agreement without the prior written consent of the Company. If the Company agrees to the assignment, the Owner shall remain responsible under this Agreement, until its assignee assumes in full and in writing all of the obligations of the Owner under this Agreement.

**Article 10. Indemnification.** THE COMPANY AGREES TO INDEMNIFY THE OWNER AND THE OWNER'S OFFICERS, AGENTS, AND EMPLOYEES, AND HOLD THE OWNER AND THE OWNER'S OFFICERS, AGENTS, AND EMPLOYEES, HARMLESS FROM ANY AND ALL CLAIMS, DEMANDS, ACTIONS, DAMAGES, LIABILITY, AND EXPENSE IN CONNECTION WITH LOSS OF LIFE, PERSONAL INJURY, AND/OR DAMAGE TO PROPERTY BY REASON OF ANY ACT, OMISSION, OR REPRESENTATION OF THE COMPANY OR ITS OFFICERS, SUBCONTRACTORS, CONTRACTORS, AGENTS, OR EMPLOYEES. IN TURN, THE OWNER AGREES TO INDEMNIFY THE COMPANY AND HOLD THE COMPANY HARMLESS FROM ANY AND ALL CLAIMS, DEMANDS, ACTIONS, DAMAGES, LIABILITY, AND EXPENSE IN CONNECTION WITH LOSS OF LIFE, PERSONAL INJURY, AND/OR DAMAGE TO PROPERTY BY REASON OF ANY ACT, OMISSION, OR REPRESENTATION OF THE OWNER OR ITS CONTRACTORS, AGENTS, OR EMPLOYEES. THE INDEMNIFICATION PROVIDED IN THIS PARAGRAPH DOES NOT AFFECT THE COMPANY'S LIMITATIONS OF LIABILITY SET FORTH IN OTHER PARAGRAPHS OF THIS AGREEMENT, IF ANY.

**Article 11. Insurance.** The Company shall comply with the requirements of all Federal and State Laws and Regulations relating to Social Security, Unemployment Insurance, and Workmen's Compensation so that the Owner will not be liable in any way for any claim evolving from the Company's carrying out the provisions of this Agreement. During the term of this Agreement, the Company shall provide the following types of insurance in not less than the specified amounts:

- a. Comprehensive General Liability - \$1,000,000 per occurrence;
- b. Auto Liability – Combines Single Limit Amount of \$1,000,000 on any Company owned and or hired and or non-owned motor vehicles engaged in the operations within the scope of this Agreement;
- c. Workers Compensation – Statutory Employer Liability \$1,000,000 (the policy shall include a 'waiver of subrogation'); and
- d. Umbrella Coverage - \$1,000,000

The Company shall furnish to the Owner satisfactory proof of coverage of the above insurance requirements, by a reliable company or companies and filed with the Owner. Said certificates shall contain a clause to the effect that, for the duration of the Agreement, the insurance policy shall be canceled, expired or changed so as to the amount of coverage only after written notification thirty (30) days in advance to the Owner. In addition, said certificates shall list the Owner and its officers, agents and employees as additional insured on all required insurance policies. Any such insurance shall be primary to any insurance of the Owner. The Company shall require sub-contractors, if any, not protected under the Owner's policies, to take out and maintain insurance of the same nature in amounts, and under the same terms, as required of the Owner.

**Article 12. Assignment of Receivables.** The Company reserves the right to assign any outstanding receivables from this Agreement to its bank or other lending institutions as collateral for any loans or lines of credit.

**Article 13. Miscellaneous Items.** No modifications, amendments, or alterations of this Agreement may be made except in writing signed by all Parties to this Agreement. No failure or delay on the part of any Party hereto in exercising any power or right hereunder shall operate as a waiver thereof. The Parties expressly warrant that the individuals who sign below are authorized to bind them.

**Article 14. Entire Agreement.** This Agreement constitutes the entire agreement of the Parties and supersedes all prior communications, understandings and agreements relating to the subject matter hereof, whether oral or written.

**Article 15. Venue.** For purposes of any litigation between the Owner and the Company relative to this Agreement, venue shall be in Cook County, Illinois, and the laws of the State of Illinois shall be controlling.

**Article 16. Company's Certification.** The Contractor's Certification form attached hereto and made part hereof shall be completed by the Company as part of this Agreement.

This Agreement signed this 14<sup>th</sup> day of July, 2008.

**OWNER:**

**Village of Palos Park**

By: *John F. Mahoney*

Title: Mayer

Print Name: John F. Mahoney

Attest: *Cathy A. Abel*

**Seal:**

**COMPANY:**

**Utility Service Co., Inc.**

By: *Andrew T. Smith*

Title: Director of Pricing

Print Name: Andrew T. Smith

Attest: *Regina J. Arthur*

**Seal:**

## **SCHEDULE A**

### **Owner's Obligations**

1. Prior to the initial renovation of Tower in the first Contract Year, Owner shall have Wireless Tenant(s) remove all telecommunication installations from the Tower. After the initial renovation is completed, Owner shall have Wireless Tenant(s) retrofit all telecommunication with designs that are OSHA and AWWA compliant and Tower maintenance friendly, and the retrofitted design and installations shall include, but not be limited to:
  - a. No obstructions of exterior ladder system, including coaxial cable fastened to the ladder rails or coaxial cable obstructing access from the ladder to the balcony.



## **SCHEDULE B**

### **Scope of Work**

#### **Exterior Specifications**

1. All exterior surfaces shall be abrasive blast cleaned to a "Commercial" finish, removing all existing paint, rust, dirt, mill scale, and foreign matter by the recommended methods outlined in the Society for Protective Coatings Specification, SSPC-SP No.6, until at least sixty-seven (67%) percent of each element of surface area is free of all visible residues.
2. After abrasive cleaning, all surfaces shall be cleaned of any dust residue or foreign debris.
3. A containment system shall be utilized to meet the emission control requirements of a Class 4A System, as specified in SSPC-Guide 6 (CON), Guide for Containing Debris Generated During Paint Removal Operations, dated December 1, 1997.
4. One (1) full primer coat of Tnemec Series 90-97 or equivalent zinc coating shall be applied to 100% of exterior surfaces at 2 to 3 mils.
5. One (1) full intermediate coat of Tnemec Series 66 epoxy or equivalent coating shall be applied to 100% of exterior surfaces at 2 to 4 mils.
6. One (1) full finish coat of Tnemec Series 1074 urethane or equivalent coating shall be applied to 100% of exterior surfaces at 2 to 4 mils.
7. Install New Logos
8. Paint all concrete foundations

## **Interior Specifications**

1. The complete interior (100%) shall be abrasive blast cleaned to SSPC-SP No. 10 “Near White” finish, until at least ninety-five (95%) percent of each element of surface area is free of all visible residues.
2. After abrasive cleaning, all surfaces shall be cleaned of any dust residue or foreign debris.
3. A high build epoxy liner manufactured by the Tnemec Company shall be applied as follows:
  - a. Primer Coat: One [1] complete coat of Tnemec Series 20 Epoxy or equivalent shall be applied to achieve a dry film thickness of 3 to 5 mils.
  - b. Intermediate Coat: One [1] complete coat of Tnemec Series 20 Epoxy or equivalent shall be applied to achieve a dry film thickness of 3 to 5 mils.
  - c. Finish Coat: One [1] complete finish coat of Tnemec Series 20 Epoxy or equivalent shall be applied to achieve a dry film thickness of 4 to 6 mils.
  - d. Contrasting Color: Each coat of epoxy paint shall be of contrasting color.
  - e. Stripe Coat: One additional coat of epoxy shall be applied by brush and roller to all weld seams.
4. After the liner has properly cured, the interior surfaces shall be disinfected per A.W.W.A. Spray Method No. 2 (200 PPM).
5. The spent abrasive media shall be tested per TCLP-(8) Heavy Metals as mandated by the State.
6. Once the tests results confirm the non-hazardous status of the wastes, the spent abrasive shall be disposed of properly.
7. The Tower shall be sealed and made ready for service.

### **Interior- Dry Specifications**

1. All interior dry surfaces must be pressure washed with a minimum of 4,000 P.S.I. washer to remove any surface contamination.
2. All rusted areas must be Hand/Power tool cleaned per SSPC-SP2, SP3 cleaning methods.
3. All rusted or bare areas must be spot primed with a rust inhibitive metal primer.
4. One (1) full intermediate coat of a Tnemec compatible Series coating shall be applied to complete interior dry surfaces (100%) at 3 to 5 mils.
5. One (1) full finish coat of a Tnemec compatible Series coating shall be applied to complete interior dry surfaces (100%) at 3 to 5 mils.

### **Repairs**

1. Replace 6' steel double door frame and door
2. Install overflow screen and flapper
3. Install screen on drain pipe
4. Seal vent gap between dry riser and roof collar
5. Replace U Bolts on overflow pipe in dry riser
6. Install a padlock on roof hatch access
7. Full seal weld all antenna corral mounts
8. Remove cathodic protection system and seal holes.
9. Install safety grabs on the exterior roof
10. Blast and Paint pit piping. Piping and paint not covered under the maintenance program
11. Replace expansion joint on interior dry fill pipe.
12. Replace interior wet ladder.

"USC will perform the rehabilitation scope in 2008, contingent upon the owner's satisfactory completion of the following:

- A) This agreement is signed, and in effect on, or before July 14th, 2008.
- B) All wireless equipment is removed from the Tower prior to August 1st, 2008.
- C) Tower is drained and out of service and USC is allowed unrestricted and uninterrupted access to the Tower for rehabilitation work on a date to be negotiated, but not beyond August 31st, 2008. Depending on the weather this project may not be completed in 2008.

**VILLAGE OF PALOS PARK**  
**CONTRACTOR'S CERTIFICATION**

Jeff George, having first been duly sworn, depose and states as follows:  
(Officer or Owner of Company)

Utility Service Co., Inc., having submitted a proposal for:  
(Name of Company)

Water Tower Rehabilitation and Maintenance Agreement

to the Village of Palos Park, hereby certifies that said contractor:

1. Has a written sexual harassment policy in place in full compliance with 775 ILCS 5/2-105(A)(4).
2. Is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, or, if it is:
  - A. it is contesting its liability for the tax or the amount of tax in accordance with procedures established by the appropriate revenue Act; or
  - B. it has entered into an agreement with the Department of Revenue for payment of all taxes due and is currently in compliance with that agreement.
3. Is in full compliance with the Federal Highway Administration Rules on Controlled Substances and Alcohol Use and Testing, 49 CFR Parts 40 and 382 and that "all employee drivers"  
(Name of employee/driver or "all employee drivers")

is/are currently participating in a drug and alcohol testing program pursuant to the aforementioned rules.

- 4A. Has in place a written program which meets or exceeds the program requirements of the Substance Abuse Prevention on Public Works Projects Act (Public Act 95-0635), and has provided a written copy thereof to the Village of Palos Park.
- ~~4B. Has in place a collective bargaining agreement which deals with the subject matter of the Substance Abuse Prevention on Public Works Projects Act (Public Act 95-0635).~~

(Cross out either 4A or 4B, depending upon which certification is correct.)

By: Jeff George  
Authorized Agent of Contractor

Subscribed and Sworn To before me  
this 18th day of July, 2008.

Regina J. Arthur  
Notary Public

