

SCOPE OF WORK NO. 2
TO THE MASTER SERVICES AGREEMENT BETWEEN
UTILITY SERVICE CO., INC.
AND
VILLAGE OF LOMBARD, IL

**TANK MAINTENANCE – 1,500,000 GALLON CONCRETE –
NORTH CIVIC CENTER RESERVOIR**

1. **Effective Date.** The Effective Date for this Scope of Work No. 2 (“SOW2”) shall be _____, 2020 .
2. **Term.** The Owner agrees to engage the Company to provide the professional service needed to maintain its 1,500,000 gallon water storage tank located at **1030 South Stewart Street, Lombard, IL 60148** (hereinafter “asset”). This SOW2 shall commence on the Effective Date and shall continue in full force and effect for one year (“Contract Year 1”). This SOW2 will automatically renew for successive one-year terms (“Contract Years”) unless terminated as set forth in Section 9 of the Master Services Agreement.
3. **Company’s Responsibilities & Scope of Work.** This SOW2 outlines the Company’s responsibility for the renovation and contract service to the above described asset per the attached in Schedule A.
4. **Contract Price/Annual Fees.** The Asset shall receive an interior and exterior renovation prior to the end of Contract Year 1. The first three (3) annual fees shall be **\$175,650.00** per Contract Year. The Annual Fee for Contract Year 4 shall be **\$30,104.00**. See the attached Schedule B for the annual fees for Contract Years 5 through 20. In Contract Year 21 and each anniversary thereafter, the Annual Fee may be adjusted to reflect the current cost of service. This adjustment of the annual fee shall be limited to a maximum of 5% annually. All applicable taxes are the responsibility of the Owner and are in addition to the stated costs and fees in this SOW2.
5. **Payment Terms.** The annual fee for Contract Year 1, plus all applicable taxes, shall be due and payable upon completion of the interior renovation, exterior renovation and repairs. See Attached Schedule A for Specifications of the work to be performed; said Schedule A is incorporated herein by reference. Also, please see Schedule B, which is attached hereto and incorporated herein by reference and sets forth the annual fees for Contract Years 1 through 20 as well as the Schedule of Work. Each subsequent annual fee, plus all applicable taxes, shall be due and payable on the first day of each Contract Year, thereafter. Furthermore, if the Owner elects to terminate this SOW2 prior to remitting the first three (3) annual fees, then unpaid balance of the first three (3) annual fees shall be due and payable within thirty (30) days of the Company’s receipt of the Owner’s Notice to Terminate.
6. **Structure of Asset.** The Company is accepting this Asset under program based upon its existing structure and components. *Any modifications to the Asset, including antenna installations, shall be approved by Utility Service Co., Inc., prior to installation and may warrant an increase in the annual fee.*

7. **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 Asset site which cause an increase in the cost of Asset maintenance will be just cause for modification of this SOW2. Said modification of this SOW2 will reasonably reflect the increased cost of the service with a newly negotiated annual fee. In the event that changes to the tank maintenance become necessary due to government mandates, the Owner and Company will discuss the scope of work and timeframe for performance in advance of implementing the changes. The modification of the fees will be determined by fair market value.
- A. **Prevailing Wages.** The work performed under this Contract is subject to prevailing wages, and the workers who are performing work under this Contract are to be paid no less than the prevailing hourly rate of wages as set by the appropriate authority. Any future work performed by workers under this Contract 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 5% per annum from the effective date of this Contract to the date in which any future work is to be performed under this Contract, then the Company reserves the right to re-negotiate the Annual Fees with the Owner. If the Company and the Owner cannot agree on re-negotiated Annual Fees, 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.
8. **Excluded Items.** This Contract does NOT include the cost for and/or liability on the part of the Company for: (1) containment of the Asset at any time; (2) disposal of any hazardous waste materials; (3) any services necessary for the Asset or Asset site that arise from or are caused by cold weather, physical conditions of the ground or Asset site (e.g., erosion), or physical conditions below the ground (e.g., sinkholes and settling of the ground); (4) repair of the Asset's structure for any reason; (5) negligent acts of Owner's employees, agents or contractors; (6) damages, whether foreseen or unforeseen, caused by the Owner's use of pressure relief valves; (7) repairs to the foundation of the Asset; (8) any repairs or improvements necessary for the Asset or Asset site that arise from or are caused by voids in concrete; 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 Asset or Asset site which results from unauthorized entry of any kind to the Asset site or Asset. If at some point in the future any of these excluded items become necessary, or should impact the tank in a way that would require additional work to be needed, the Owner and Company will negotiate an amendment to this SOW2 that reflects the additional costs and time to provide the newly needed services in a way that reflects fair market value.
9. **Visual Inspection Disclaimer.** This SOW2 is based upon a visual inspection of the Asset. The Owner and the Company hereby acknowledge and agree that a visual inspection is intended to assess the condition of the Asset for all patent defects. If latent defects are identified once the Asset has been drained for repairs, the Owner agrees and acknowledges that the Company shall not be responsible to repair the latent defects unless the Owner and the Company renegotiate the annual fees. The definition of a "latent defect" shall be any defect of the Asset which is not easily discovered (e.g., corrosion of the floor plates, corrosion in areas not accessible to maintain, damage to the roof of the Asset which is not clearly visible during the visual inspection, etc.).

The SOW3 is executed and effective as of the date last signed by the parties below.

OWNER

Village of Lombard

By: 

Name: Keith Giagnorio

Title: Village President

Date: October 1, 2020

COMPANY

Utility Service Co., Inc.

By: 

Name: Jonathan Cato

Title: Senior VP, Advanced Solutions LOB

Date: September 16, 2020

SCHEDULE A

VILLAGE OF LOMBARD, IL SCHEDULE OF WORK TO BE ACCOMPLISHED UNDER THE “FULL SERVICE MAINTENANCE PROGRAM”

YEAR 1 (2021) – Upfront Renovations

Exterior Coatings

1. Surfaces contaminated with mildew shall be treated with a diluted bleach solution.
2. Water blast specified exterior surfaces with a minimum of 3,500 psi per SSPC-SP13, to remove dirt, grime, efflorescence and all deleterious material to facilitate proper coating application.
3. Remove exterior wall and roof caulk, and recaulk.
4. Apply one (1) coat of Tnemec Series 151 @ 1.0-1.5 mils DFT.
5. Stripe coat cracks and apply Tnemec Series 152 tape to specific cracks, as necessary.
6. Apply two (2) coats of Tnemec Series 152 at 4-6 mils DFT per coat.

Interior Coatings

1. Clean & degrease interior surfaces as necessary, then prep per SSPC-SP13 to achieve a CSP-5 surface profile per ICRI standards.
2. Resurface using Tnemec Series 218 @ 62 mils.
3. Apply coats (2) coat of Tnemec Series 22 @ 15-20 mils DFT per coat.
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 Tank shall be sealed and made ready for service.

Repairs

1. Upgrade roof hatch.
2. Install overflow flap with rip rap splash pad.
3. Note: This is 1 time only service.

Notes/Exclusions

1. Water and power must be available within 150' of tank.
2. Containment of any kind is not included.
3. All workers to have 10-hour OSHA card; any additional safety requirements are subject to request for additional compensation.

YEAR 2 (2022) - Inspection Service

1. Engineering inspection and preventive maintenance
(Tank interior not required to be drained unless required to complete other scope of work such as a washout).
2. Any needed repairs/touchup.
3. Provide emergency repair service.
4. Ensure tank complies with all federal and state regulations.
5. Maintain as per the maintenance program

YEAR 3 (2023) – Remote Operated Vehicle (ROV) Inspection Service

1. Interior ROV inspection, exterior Engineering inspection, and preventive maintenance.
(Tank interior not required to be drained unless required to complete other scope of work)
2. Any needed repairs/touchup.
3. Provide emergency repair service.
4. Ensure tank complies with all federal and state regulations.
5. Maintain as per the maintenance program

YEAR 4 (2024) - Inspection Service

1. Engineering inspection and preventive maintenance
(Tank interior not required to be drained unless required to complete other scope of work such as a washout).
2. Any needed repairs/touchup.
3. Provide emergency repair service.
4. Ensure tank complies with all federal and state regulations.
5. Maintain as per the maintenance program

YEAR 5 (2025) – Washout Inspection Service

1. Washout, inspect, and disinfect the tank.
2. Any needed repairs/touchup.
3. Provide emergency repair service.
4. Ensure Tank complies with all federal and state regulations.
5. Maintain as per the maintenance program.

YEAR 6 (2026) - Inspection Service

1. Engineering inspection and preventive maintenance
(Tank interior not required to be drained unless required to complete other scope of work such as a washout).
2. Any needed repairs/touchup.
3. Provide emergency repair service.
4. Ensure tank complies with all federal and state regulations.
5. Maintain as per the maintenance program

YEAR 7 (2027) – Remote Operated Vehicle (ROV) Inspection Service

1. Interior ROV inspection, exterior Engineering inspection, and preventive maintenance.
(Tank interior not required to be drained unless required to complete other scope of work).
2. Any needed repairs/touchup.
3. Provide emergency repair service.
4. Ensure tank complies with all federal and state regulations.
5. Maintain as per the maintenance program

YEAR 8 (2028) – Exterior Overcoat Service

1. Surface Preparation: Power wash all specified concrete surfaces per SSPC-SP13 to remove all grease, oil, and deleterious material.
2. Finish (Overcoat): Apply two (2) coats of Tnemec Series 1026 Enduratone at 4.0 to 6.0 mils DFT, per coat.
3. Provide emergency repair service.
4. Ensure tank complies with all federal and state regulations.
5. Maintain as per the maintenance program

YEAR 9 (2029) – Washout Inspection Service

1. Washout, inspect, and disinfect the tank.
2. Any needed repairs/touchup.
3. Provide emergency repair service.
4. Ensure Tank complies with all federal and state regulations.
5. Maintain as per the maintenance program.

YEAR 10 (2030) - Inspection Service

1. Engineering inspection and preventive maintenance
(Tank interior not required to be drained unless required to complete other scope of work such as a washout).
2. Any needed repairs/touchup.
3. Provide emergency repair service.
4. Ensure tank complies with all federal and state regulations.
5. Maintain as per the maintenance program

YEAR 11 (2031) – Remote Operated Vehicle (ROV) Inspection Service

1. Interior ROV inspection, exterior Engineering inspection, and preventive maintenance.
(Tank interior not required to be drained unless required to complete other scope of work).
2. Any needed repairs/touchup.
3. Provide emergency repair service.
4. Ensure tank complies with all federal and state regulations.
5. Maintain as per the maintenance program

YEAR 12 (2032) - Inspection Service

1. Engineering inspection and preventive maintenance
(Tank interior not required to be drained unless required complete other scope of work such as a washout).
2. Any needed repairs/touchup.
3. Provide emergency repair service.
4. Ensure tank complies with all federal and state regulations.
5. Maintain as per the maintenance program

YEAR 13 (2033) – Washout Inspection Service

1. Washout, inspect, and disinfect the tank.
2. Any needed repairs/touchup.
3. Provide emergency repair service.
4. Ensure Tank complies with all federal and state regulations.
5. Maintain as per the maintenance program.

YEAR 14 (2034) - Inspection Service

1. Engineering inspection and preventive maintenance
(Tank interior not required to be drained unless required complete other scope of work such as a washout).
2. Any needed repairs/touchup.
3. Provide emergency repair service.
4. Ensure tank complies with all federal and state regulations.
5. Maintain as per the maintenance program

YEAR 15 (2035) – Exterior Overcoat Service

1. Surface Preparation: Power wash all specified concrete surfaces per SSPC-SP13 to remove all grease, oil, and deleterious material.
2. Finish (Overcoat): Apply two (2) coats of Tnemec Series 1026 Enduratone at 4.0 to 6.0 mils DFT, per coat.
3. Provide emergency repair service.
4. Ensure tank complies with all federal and state regulations.
5. Maintain as per the maintenance program

YEAR 16 (2036) – Remote Operated Vehicle (ROV) Inspection Service

1. Interior ROV inspection, exterior Engineering inspection, and preventive maintenance. (Tank interior not required to be drained unless required to complete other scope of work).
2. Any needed repairs/touchup.
3. Provide emergency repair service.
4. Ensure tank complies with all federal and state regulations.
5. Maintain as per the maintenance program

YEAR 17 (2037) - Inspection Service

1. Engineering inspection and preventive maintenance
(Tank interior not required to be drained unless required complete other scope of work such as a washout).
2. Any needed repairs/touchup.
3. Provide emergency repair service.
4. Ensure tank complies with all federal and state regulations.
5. Maintain as per the maintenance program

YEAR 18 (2038) – Washout Inspection Service

1. Washout, inspect, and disinfect the tank.
2. Any needed repairs/touchup.
3. Provide emergency repair service.
4. Ensure Tank complies with all federal and state regulations.
5. Maintain as per the maintenance program.

YEAR 19 (2039) - Inspection Service

1. Engineering inspection and preventive maintenance
(Tank interior not required to be drained unless required complete other scope of work such as a washout).
2. Any needed repairs/touchup.
3. Provide emergency repair service.
4. Ensure tank complies with all federal and state regulations.
5. Maintain as per the maintenance program

YEAR 20 (2040) – Interior Overcoat Service

1. Surface Preparation: Prepare specified concrete surfaces per SSPC-SP7 Sweep Blast to achieve a surface profile for coatings per manufacturer recommendations.
2. Finish (Overcoat): Apply one (1) coat of Tnemec Series TN140 PotaPox at 10.0 to 12.0 mils DFT.
3. After the liner has properly cured, the interior surfaces shall be disinfected per A.W.W.A. Spray Method No. 2 (200 PPM).
4. The Tank shall be sealed and made ready for service.
5. Any Exterior needed repairs/touchup.
6. Provide emergency repair service.
7. Ensure tank complies with all federal and state regulations.
8. Maintain as per the maintenance program

Notes:

Upon request, the Company will provide digital copies of the inspection report to the Water Department Supervisor, or the main contact designated by the Owner on the account.

If it is determined that the repainting and/or repairs are necessary such that the scope or schedule differs from what is outlined in Schedule A, then that work, to include labor and materials needed, shall be mutually agreed upon by both parties in advance of starting the work. The parties shall enter into a written amendment to provide payment terms for said work, which may be lump sum, upon completion. No work will proceed on the tank without providing advance notice and receiving consent from the Water Department.

"SCHEDULE B"

Year	1	2	3	4	5
Concrete North Tank	\$175,650	\$175,650	\$175,650	\$30,104	\$31,169

Year	6	7	8	9	10
Concrete North Tank	\$32,273	\$33,415	\$34,598	\$35,823	\$37,091

Year	11	12	13	14	15
Concrete North Tank	\$38,404	\$39,763	\$41,171	\$42,629	\$44,138

Year	16	17	18	19	20
Concrete North Tank	\$45,700	\$47,318	\$48,993	\$50,727	\$52,523