

October 2, 2018

Mayor Johnny Magee  
City of Laurel  
401 5th Avenue  
Laurel, MS 39440

Dear Mayor Magee:

**REFERENCE: 2019 PAVEMENT MANAGEMENT**

The City of Laurel will be making a substantial investment in street paving over the next several years. Upon making a decision to invest in street restoration and overlays, immediately numerous questions arise:

- Which streets need paving?
- Will a simple overlay suffice?
- What thickness does the overlay need to be?
- Should the street be milled and/or leveled before the overlay?
- Is the existing base in good repair?
- Are there buried utility repairs that need to be made prior to the overlay?
- Do curb and gutter repairs need to happen simultaneously?
- Is the existing storm water handling system (inlets, drainage piping) adequate?

Neel-Schaffer can provide the expertise to answer these questions for the City and manage the City's paving program through implementation of a formal Pavement Management Plan. A Pavement Management Plan is a data driven decision making tool which insures that the all of the questions above are answered and that the City's investment in asphalt has the long-lasting effect desired. A Pavement Management Plan consists of the following:

- **Pavement and Asset Data Collection:** This would be performed by Fugro Roadware, Inc. working as a sub-consultant to Neel-Schaffer for all of the approximately 340 lane miles of streets that the City is responsible for. Fugro has specialized Automatic Road Analyzer (ARAN) vehicles that automatically and continuously measure over 15 data types on streets including:
  - Roughness, smoothness, ride and International Roughness Index
  - Rutting and Traverse Profile
  - Pavement Distress
  - Road Geometrics (Grade, Curve, Cross Fall, Slide Slope, Edge Drop-Off, etc.)
  - Pavement and Right-of-Way Images (Street Sign Location, Street Light Location, Drainage Inlet Location, etc.)
  - Asphalt Faulting
  - Texture
  - Structure Thickness

#### > PAVEMENT DISTRESS

Using the ARAN'S pavement imaging subsystem, planar-view digital pavement images are recorded directly to disk for 100% of the driven lane.

#### > POSITIONING - GPS

ARANs are equipped with a Global Positioning System integrated with a DMI and Inertial Reference System that will fill in the gaps in the event of lost satellite reception.

#### > RIGHT-OF-WAY VIDEO

ARANs can be outfitted with up to six 4K cameras to capture right-of-way images, allowing a virtual road view from the comfort and safety of an office.

#### > RUTTING

The Laser Transverse Profiler uses dual scanning lasers to accurately measure the transverse profile of the road with 1280 points over 4 meters.

#### > ROUGHNESS

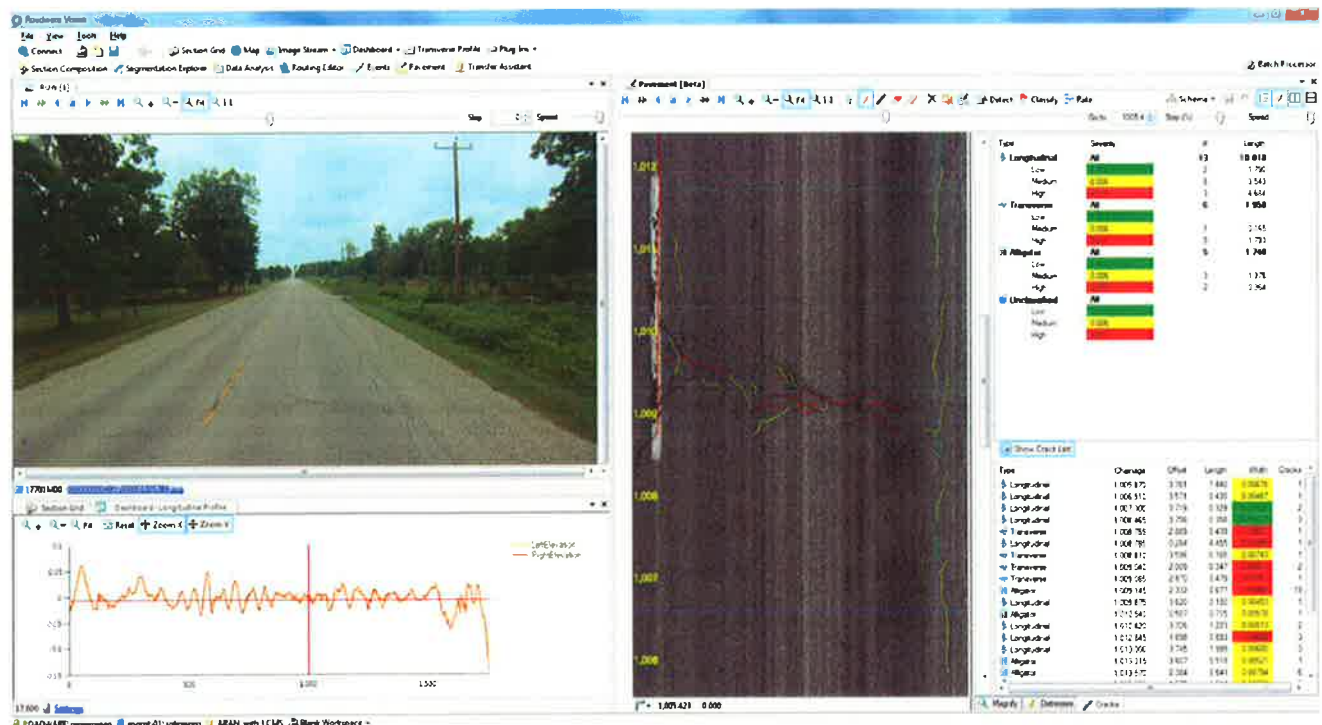
The Laser SDP measures longitudinal road profile in real-time Class I roughness index calculation.

#### > TEXTURE

Smart Texture utilizes high frequency lasers to measure the mean profile depth of road surface macrotexture.

#### > POSITIONING - DMI

The Distance Measuring Instrument measures linear distance travelled. It also acts as a GPS position backup, in the event of a poor satellite connection, the DMI and Inertial Reference System will fill in the gaps.



All of the above data is georeferenced thus the location of all of the data and assets collected is known. Fugro's Vision software processes and analyzes the data collected to determine a Pavement Condition Index (PCI) for each street section. This information can be brought in to the City's existing GIS system.

- **Development of the Plan:** Utilizing the PCI determined for each street section, Neel-Schaffer would develop a prioritization of the streets to be overlaid. For each Street section Neel-Schaffer would perform the following tasks:
  - Cross reference the pavement condition with existing City owned GIS utility data and maintenance history provided by Suez. Based on the data collected, it may be determined that these assets need repair or replacement prior to the overlay.
  - Assess adjacent curb and gutter to determine if repairs/replacement are required prior to overlay.
  - Determine the proper type of overlay method (Milling and/or leveling required? Pavement thickness required? Base repair required?).
  - Develop cost estimates for the required work and further prioritize the proposed work based on the City's annual budget. Prioritization will consider traffic counts and severity of pavement conditions.
  - Arrange the data above into a 5-year maintenance report.



- **Management of the Plan:** Utilizing the 5-year plan developed above, Neel-Schaffer would then, under a subsequent contract, prepare the detailed plans and specifications to allow solicitation of bids or paving under the City's annual material budget for each year of the plan. The plans would address needed utility replacement/repairs, curb and gutter replacement/repairs, localized drainage system improvements, base repairs and finally the asphalt re-surfacing required. These plans and specifications would be developed on an annual basis matching the City's current asphalt budget. Neel-Schaffer would perform the Construction Management for each of the projects as they moved to construction. Finally, all of the data collected in the first phase as well as all of the improvements made would be furnished to the City for inclusion in its GIS system.

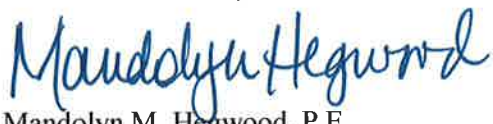


In summary, Neel-Schaffer proposes to develop a data driven, engineered plan to guide the City's overlay budget to ensure that the streets that need it the most are addressed first. Neel-Schaffer proposes to perform the initial City Wide Street Assessment and 5-year plan including the addition of pavement condition information into the GIS system for a lump sum fee of \$95,000.

These services will be provided in accordance with Exhibit A, "General Terms and Conditions", which is attached to and made a part of this Letter Agreement. A Project Schedule is attached as Exhibit B.

If this Letter Agreement is acceptable, please execute both documents and return one copy to us.

Sincerely,  
NEEL-SCHAFER, INC.



Mandolyn M. Hegwood, P.E.  
Vice President

Attachments

ACCEPTED:                      City of Laurel

BY: \_\_\_\_\_

DATE: \_\_\_\_\_

**EXHIBIT A**  
**NEEL-SCHAFER, INC. (NSI)**  
**GENERAL TERMS AND CONDITIONS**  
**PROFESSIONAL CONSULTANT SERVICES**

1. **Relationship between NSI and Client.** NSI shall serve as the Client's Professional consultant in those phases of the Project to which this Agreement applies. The relationship is that of a buyer and seller of professional services and it is understood that the parties have not entered into any joint venture or partnership with the other. The Professional consultant shall not be considered to be the agent or fiduciary of the Client. To the extent that Client is a public entity or a person or entity obligated to repay some or all of an amount borrowed in a municipal securities offering, it is expressly understood and agreed that the Professional consultant is not acting as a municipal advisor to the Client, as that term applies to the Dodd-Frank Wall Street Reform and Consumer Protection Act and its supporting regulations, that Professional consultant's services will not include the provision of advice or recommendations regarding municipal financial products or the issuance of municipal securities, and that the Client is responsible for retaining an independent registered municipal advisor for such advice or recommendation.
2. **Responsibility of NSI.** NSI will perform services under this Agreement in a manner consistent with that standard of care and skill ordinarily exercised by members of the profession currently practicing in the same locality under similar conditions. No other representation, warranty or guarantee, expressed or implied is included or intended in this Agreement or in any report, opinion, document, or otherwise.
3. **Responsibility of the Client.** Client shall provide all criteria and full information as to his requirements for the Project, including budgetary limitations. Client shall arrange for NSI to enter upon public and private property and obtain all necessary approvals required from all governmental authorities having jurisdiction over the Project.

Client shall give prompt written notice to NSI whenever Client observes or otherwise becomes aware of any development that affects the scope or timing of NSI's services.

The Client shall promptly report to the Professional consultant any defects or suspected defects in the Professional consultant's services of which the Client becomes aware, so that the Professional consultant may take measures to minimize the consequences of such a defect. The Client further agrees to impose a similar notification requirement on all contractors in its Client/Contractor contract and shall require all subcontracts at any level to contain a like requirement. Should legal liability for the defects exist, failure by the Client and the Clients' contractors or subcontractors to notify the Professional consultant shall relieve the Professional consultant of any liability for costs of remedying the defects above the sum such remedy would have cost had prompt notification been given when such defects were first discovered.
4. **Designation of Authorized Representatives.** Each party shall designate one or more persons to act with authority in its behalf with respect to appropriate aspects of the Project. The persons designated shall review and respond promptly to all communications received from the party.
5. **Ownership of Documents.** All documents prepared by NSI in connection with any or all of the services furnished hereunder shall be and remain the property of NSI.
6. **Reuse of Documents.** All documents furnished by NSI pursuant to this Agreement, are intended for use on the Project only. Client agrees they should not be used by the Client or others on extensions of the Project or on any other project. Any reuse, without written verification or adaption by NSI, shall be at Client's sole risk, and Client shall indemnify and hold harmless Professional consultant from all claims, damages, losses and expenses, including attorney's fees arising out of or resulting therefrom. Client further acknowledges that any reports or studies prepared by NSI are intended solely for the Client's use and information, and the Client shall defend and indemnify NSI from any liabilities arising out of other entities' reliance on such reports or studies.
7. **Changes.** Client reserves the right by written change order or amendment to make changes in requirements, amount of work, or time schedule adjustments; and NSI and Client shall negotiate appropriate adjustments in fee and/or schedule acceptable to both parties to accommodate any changes or Additional Services.
8. **Suspension of Services.** Client may, at any time, by written order to NSI to stop all, or any part, of the services required by this Agreement. Upon receipt of such an order, NSI shall immediately comply with its terms and take all reasonable steps to minimize the occurrence of costs allocable to the services covered by the order. Client, however, shall pay all costs associated with suspension including all costs necessary to maintain continuity and the staff required to resume the services upon expiration of the suspension of work order. NSI will not be obligated to provide the same personnel employed prior to suspension when the services are resumed in the event the period of any suspension exceeds 30 days.
9. **Termination.** This Agreement may be terminated by either party upon 30 days' written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof through no fault of the terminating party. This Agreement may be terminated by Client, under the same terms, whenever Client shall determine that termination is in its best interests. Cost of termination, including salaries, overhead and fee, incurred by NSI either before or after the termination date shall be reimbursed by Client.

10. **Delays.** If NSI's services are delayed by the Client, or for other reasons beyond NSI's control, the fee provided for in this Agreement shall be adjusted equitably.

11. **Notices.** Any notice or designation required to be given by either party hereto shall be in writing and, unless receipt of such notice is expressly required by the terms hereof, it shall be deemed to be effectively served when deposited in the mail with sufficient first class postage affixed and addressed to the party to whom such notice is directed at such party's place of business or such other address as either party shall hereinafter furnish to the other party by written notice as herein provided.

12. **Indemnification.**

To the extent not prohibited by law, and in any case to be construed in a fashion that does not waive governmental, sovereign, or official immunities where applicable, each party to this Agreement shall be responsible for claims and losses, liability, damages, or other expenses of any kind whatsoever, to the extent caused by any negligent acts, errors, or omission arising out of performance pursuant to this Agreement committed by that party or any of its employees or agents for whom the party is legally responsible.

13. **Legal Proceedings.** In the event NSI's employees are at any time required by Client to provide testimony, answer interrogatories or otherwise provide information ("testimony") in preparation for or at a trial, hearing, proceeding on inquiry ("proceeding") arising out of the services that are the subject of this Agreement, where NSI is not a party to such proceeding, Client will compensate NSI for its services and reimburse NSI for all related direct costs incurred in connection with providing such testimony. This provision shall be of no effect if the parties have agreed in a separate agreement or an amendment to this Agreement to terms which specifically supersede this provision, nor shall this provision apply in the event Client engages NSI to provide expert testimony or litigation support, which services shall be the subject of a separate agreement or an amendment to this Agreement.

14. **Successors and Assigns.** The terms of this Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns; provided however, that neither party shall assign this Agreement in whole or in part without the prior written approval of the other.

15. **Insurance.** NSI agrees to maintain the following insurance coverages with the following available limits of insurance during the performance of NSI's work hereunder:

(a) Commercial General Liability insurance with standard ISO coverage and available limits of \$1,000,000 per occurrence and \$2,000,000 general aggregate;

(b) Automobile Liability insurance with standard ISO coverage and available combined single limits of \$1,000,000 per accident;

(c) Worker's Compensation insurance with limits as required by statute and Employer's Liability insurance with limits of \$1,000,000 per employee for bodily injury by

accident/\$1,000,000 per employee for bodily injury by disease/\$1,000,000 policy limit for disease; and  
(d) Professional Liability insurance covering NSI's negligent acts, errors, or omissions in the performance of professional services with available limits of \$1,000,000 per claim and annual aggregate.

NSI shall provide evidence of procuring the above insurance coverages by delivering a certificate of insurance to Owner prior to the start of NSI's work and annually upon renewal of coverage. NSI shall cause Owner to be named as an additional insured on NSI's commercial general liability policy, which shall be primary and noncontributory.

16. **Information Provided by the Client.** NSI shall indicate to the Client the information needed for rendering of services hereunder. The Client may elect to provide this information (including services by others) to NSI. In this case, the Client recognizes that NSI cannot assure the sufficiency of such information. Accordingly, NSI shall not be liable for any claims for injury or loss arising from errors, omissions or inaccuracies in documents or other information provided by the Client. In addition, the Client agrees to compensate NSI for any time spent or expenses incurred in defending such claim or in making revisions to his work as a direct or indirect result of information provided by the Client which is insufficient.

17. **Risk Allocation.** N/A

18. **Payment.** NSI shall submit monthly invoices, or invoice submittal will be as noted in the agreement, to the Client. Payment in full shall be due upon receipt of the invoice. Payment of any invoices by the Client shall be taken to mean that the Client is satisfied with the NSI's services to the date of the payment and is not aware of any deficiencies in those services. If payments are delinquent after 30 days from invoice date, the Client agrees to pay interest on the unpaid balance at the rate of one percent (1%) per month. Payment will be credited first to any interest owed then to principal. If the Client fails to make payments; then NSI, after giving seven (7) days written notice to the Client, may suspend services until the Client has paid in full all amounts due for services, expenses, and other related charges without recourse to the Client for loss or damage caused by such suspension.. The Client waives any and all claims against the NSI for any such suspension. Payment for NSI's services is not contingent on any factor, except the NSI's ability to provide services in a manner consistent with that standard of care and skill ordinarily exercised by members of the profession currently practicing in the same locality under similar conditions. Payment of invoices shall not be subject to any discounts, set-offs or back-charges unless agreed to in writing by both parties. If the Client contests an invoice, the Client may withhold only that portion so contested and pay the undisputed portion, after the Client has notified the NSI in writing within 30 days of receiving the invoice and shall identify the specific cause of the disagreement and the amount in dispute.

If NSI brings any action at law or in equity to enforce or interpret the terms of this Agreement, or if NSI must either

prosecute or defend any action related to the subject matter of the Agreement, and prevails in such action, then NSI shall be entitled to reasonable attorney's fees, expenses and costs, including expert witness fees, if applicable.

19. **Force Majeure.** Neither Client nor NSI shall be liable for any fault or delay caused by any contingency beyond their control, including, but not limited to, acts of God, wars, strikes, walkouts, fires, natural calamities, or demands or requirements of governmental agencies.
20. **Compliance with Laws.** To the extent they apply to its employees or its services, NSI shall exercise due professional care to comply with all applicable United States, state, territorial and commonwealth laws, including ordinances of any political subdivisions or agencies of the United States, any state, territory or commonwealth thereof.
21. **Separate Provisions.** If any provisions of this Agreement are held to be invalid or unenforceable, the remaining provisions shall be valid and binding.
22. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the state in which the work is performed.
23. **Dispute Resolution.** All disputes, controversies or claims, of whatever kind or character, between the Parties, their agents and/or principals, arising out of or in connection with the subject matter of this Agreement shall be litigated only before a judge hearing the matter alone, as both finder of fact and law, without a jury.  
  
By entering into this agreement, the parties knowingly, purposefully and intelligently agree to waive their individual rights to have any dispute, controversy or claim amongst and between them, to include the Contractor's individual Shareholders, Directors and Officers, decided, heard or adjudged by a trial by jury.
24. **Additional Services.** Services resulting from significant changes in the general scope, extent or character of the Project designed or specified by Engineer or its design including, but not limited to, changes in size, complexity, Client's schedule, construction schedule, character of construction or method of financing; and revising previously accepted studies, reports, design documents or Contract Documents when such revisions are required by changes in laws, rules, regulations, ordinances, codes or orders enacted subsequent to the preparation of such studies, reports or documents, or are due to any other causes beyond Engineer's control.
25. **Amendment.** This Agreement shall not be subject to amendment unless another instrument is executed by duly authorized representatives of each of the parties.

26. **Entire Understanding of Agreement.** This Agreement represents and incorporates the entire understanding of the parties hereto, and each party acknowledges that there are no warranties, representations, covenants or understandings of any kind, matter or description whatsoever, made by either party to the other except as expressly set forth herein. Client and NSI hereby agree that any purchase orders, invoices, confirmations, acknowledgments or other similar documents executed or delivered with respect to the subject matter hereof that conflict with the terms of this Agreement shall be null, void and without effect to the extent they conflict with the terms of this Agreement.
27. **Survival of Provisions.** The provisions of this Agreement shall continue to be binding upon the parties hereto notwithstanding termination of this Agreement for any reason.
28. **Nonwaiver.** No waiver by a party of any provision of this Agreement shall be deemed to have been made unless in writing and signed by such party.
29. **Identity of Project Client.** Within ten (10) days of the entry of this Agreement, Client, if Client is not the Project Client, shall provide to Professional Consultant the following information relative to the Project Client: Project Client's full legal name; Project Client's physical address; Project Client's mailing address; and the name, physical address and mailing address of the Client's point of contact with the Client for the Project.
30. **Conflicting Terms.** In the event that there are multiple agreements with varying or conflicting terms and conditions between Client and Professional Consultant, the Terms and Conditions contained in this Agreement shall supersede and have precedence over any other terms and conditions contained in any other written or oral agreement entered into between Client and Professional Consultant that either actually do or appear to conflict with the Terms and Conditions contained in this Agreement, regardless of when, in relationship to these Terms and Conditions contained in this Agreement, such other written or oral agreement was actually entered into between Client and Professional Consultant.
31. **Course of Dealing.** Client and Professional Consultant agree that these General Terms and Conditions establish a course of dealing between them and shall apply to this and all other services, projects, agreements or dealings between the them, unless Client or Professional Consultant gives the other written notice of objection to any term or condition before commencement of performance in connection with any other provision of services or projects involving the two of them.

