
**VILLAGE OF SUGAR GROVE
BOARD REPORT**

TO: VILLAGE PRESIDENT & BOARD OF TRUSTEES
FROM: ANTHONY SPECIALE, DIRECTOR OF PUBLIC WORKS
BRAD MERKEL, UTILITIES SUPERVISOR
SUBJECT: RESOLUTION: AUTHORIZING A PROFESSIONAL SERVICES
AGREEMENT FOR WATER SYSTEM NEEDS WITH LAYNE
CHRISTENSEN COMPANY, INC.
AGENDA: AUGUST 15, 2017 VILLAGE BOARD MEETING
DATE: AUGUST 9, 2017

ISSUE

Should the Village Board enter into a Professional Services Agreement with Layne Christensen Company, Inc.

DISCUSSION

This is essentially a renewal of a previous 5 year agreement that was last approved at the September 4, 2012 Village Board Meeting.

Layne Christensen has been providing well rehabilitation and construction services to the Village of Sugar Grove for more than 50 years. The service agreement is non-binding and does not obligate the Village to utilize Layne Christensen for work. Individual Task Orders detailing the description of the work, costs, schedule, etc, will need to be executed for each project. Highlights of the agreement include:

- 5% reduction in labor costs on all Task Orders
- 10% reduction applied to specialized service fees
- Two year warranty on all workmanship and new Flowserve / Byron Jackson equipment
- Emergency Response Priority Service

Attorney Laura Julien reviewed the Layne Agreement and believes that entering into an agreement with Layne Christensen Company would prove to be beneficial for the Village of Sugar Grove. The cost savings, additional warranty and priority emergency response service would be benefits to the community.

Attached for your review is the Professional Services Agreement from Layne Christensen Company.

COST

There is no cost associated with approving the agreement.

RECOMMENDATION

The Village Board approves Resolution 20170815PW1 authorizing a Professional Services Agreement for Water System Needs with Layne Christensen Company, Inc.



RESOLUTION NO. 20170815PW1

VILLAGE OF SUGAR GROVE, KANE COUNTY, ILLINOIS

RESOLUTION AUTHORIZING EXECUTION OF AN AGREEMENT WITH LAYNE CHRISTENSEN COMPANY, INC.

WHEREAS, the Village of Sugar Grove Board of Trustees find that it is in the best interest of the Village to engage the services of Layne Christensen Company, Inc. to provide professional services to the Village of Sugar Grove, and to execute the attached agreement;

NOW, THEREFORE, BE IT RESOLVED by the President and Board of Trustees of the Village of Sugar Grove, Kane County, Illinois, as follows:

That attached hereto and incorporated herein by reference as Exhibit A is an agreement between Layne Christensen Company, Inc. and the Village of Sugar Grove for professional services to the Village of Sugar Grove. The President and Clerk are hereby authorized to execute said agreement on behalf of the Village and to take such further actions as are necessary to fulfill the terms of said agreement.

Passed by the President and Board of Trustees of the Village of Sugar Grove, Kane County, Illinois, at a regular meeting thereof held on the 15th day of August, 2017.

 P Sean Michels, President of the Board
 of Trustees of the Village of Sugar Grove,
 Kane County, Illinois

ATTEST: _____
 Cynthia Galbreath, Clerk
 Village of Sugar Grove

	Aye	Nay	Absent	Abstain
Trustee Kevin M. Geary	_____	_____	_____	_____
Trustee Sean Herron	_____	_____	_____	_____
Trustee Mari Johnson	_____	_____	_____	_____
Trustee Ted Koch	_____	_____	_____	_____
Trustee Rick Montalto	_____	_____	_____	_____
Trustee David Paluch	_____	_____	_____	_____

THIS PROFESSIONAL SERVICES AGREEMENT ("Agreement") is dated August 1, 2017 and made by and between

VILLAGE OF SUGAR GROVE, IL
10 Municipal Drive
Sugar Grove, IL 60554
(Hereinafter "the Village"),

AND

LAYNE CHRISTENSEN COMPANY INC.
(Hereinafter "Contractor"),
a Corporation
with a principal business address at
721 West Illinois Ave.
Aurora, IL 60506

IN CONSIDERATION OF THE MUTUAL COVENANTS HEREIN CONTAINED, THE VILLAGE AND THE CONTRACTOR AGREES AS FOLLOWS:

1. DEFINITIONS: When capitalized in the Agreement, the following words or phrases shall have the following meanings:

- a) "Agreement" shall mean this Agreement, the conditions of the Agreement, all Schedules of the Agreement, and all Change Orders issued and Task Orders executed after execution of this Agreement.
- b) "Village's Site" shall mean the location where the Work shall be performed,
- c) "Change Order" shall mean a document signed by the Village and the Contractor and authorizes an addition, deletion, or revision in the work or an adjustment in the Price or the Contract Term, issued on or after the execution of the Agreement.
- d) NOT USED.
- e) "Or Equal" shall be understood to indicate that the "equal" product is the same or better than the product named in the Specifications in function, performance, reliability, quality and general configuration.
- f) "Price" shall mean the price or prices stated in this Agreement and/or the applicable Task Order.
- g) "Specifications" shall mean the specifications, qualities, nature, type, properties, amounts, assortments and other descriptions of and requirements for the Work as stated in the respective Task Order.

h) "Subcontractor" shall mean contractors, suppliers, vendors, and subcontractors of any tier and any other persons or entities contracting directly or indirectly with Contractor for the performance of the Work under this Agreement.

i) "Work" shall mean Services identified in the Specifications.

j) "Work Product" shall mean studies, reports, evaluations, designs, drawings, procedures, specifications, plans and all other documentation and deliverables which are produced or acquired by Contractor for or at the direction of Village pursuant to the applicable Task Order.

2. SCOPE OF WORK AND PROCESS: The Work to be performed by Contractor under this Agreement shall be set forth in individual task orders ("Task Orders"). Upon the request of Village, Contractor shall prepare a Task Order containing an identification of the project ("Project"), description of the Work, compensation to be paid to Contractor for the performance of the Work, any Bonds required for the Work and a proposed schedule for the performance ("Project Schedule") for the Work. This Agreement does not obligate Village to request Work from Contractor, nor does it obligate Contractor to accept orders for Work from Village. Upon mutual agreement of the parties, the Task Order shall be finalized and executed by the parties. The effective date will be as set forth in the individual Task Order. Changes to the Task Order shall be made in writing and signed by both parties. This agreement applies to, but is not limited to, the projects described in Schedule A.

3. TERM: This Agreement shall commence on **1 August 2017** and shall expire on **1 August 2022** unless terminated earlier pursuant to provisions contained herein ("Contract Term"). Village and Contractor may mutually agree to extend the term of this Agreement if the parties agree, in writing, on the terms of such extension.

4. REPRESENTATIVES: The Village Representative ("Village Representative") shall be ***Anthony Speciale***. Contractor's designated representatives shall be ***William Balluff, P.E.*** ("Contractor Representative"). Either party may change the name of its designated representative by giving written notice of same. The designated representatives shall be the primary points of contact for the Work but shall not have authority to change the terms of this Agreement.

5. NOT USED.

6. PAYMENT: The Village shall pay Contractor for the Work as outlined in the applicable Task Order, inclusive of all sales and use taxes. Work shall be conducted at the rates established in schedule B with a 5% reduction. A 10% reduction shall be applied to specialized service fees i.e. downhole video survey, Sonar Jet®, Boreblast™, Chemical Treatment Unit, High Pressure Packer, Equipment Rental etc. Schedule b shall be updated yearly to account for the Contractor's agreement with Union Local 150 Operating Engineers. Contractor shall perform Annual Preventative Maintenance testing on Village's nine wells per scope and rates of Schedule E.

7. PAYMENT TERMS: Village shall pay Contractor invoices within thirty (30) days of receipt of invoice. If any portion of the Work does not conform to the requirements of this Agreement, a corresponding portion of the price may be withheld by Village until the nonconformity is corrected. The Village shall pay the Contractor for the Work as outlined above, inclusive of all sales and use taxes, as the same may be adjusted by Change Order.

8. NOT USED

9. WARRANTIES: Contractor represents, warrants and guarantees that any Work provided under this Agreement shall be: (1) provided in accordance with the Specifications and the requirements of this Agreement; (2) provided in a skillful, workmanlike and professional manner and consistent with generally accepted industry practices and procedures in Contractor's particular area of expertise; (3) constructed from new materials, free from defects in material, workmanship and design, and of proper size and quality; and (4) not manufactured and not priced or sold in violation of any federal, state or local law, including without limitation those relating to health and safety. These warranties shall survive acceptance of the Work. Contractor warrants that the Work performed under this Agreement conforms to the requirements of this Agreement and is free of any defect of equipment, material or design furnished, or workmanship performed by the Contractor or any of his subcontractors or suppliers. In the case of the purchase of new Flowserve/Byron Jackson equipment and materials all labor, workmanship, and new Flowserve/Byron Jackson materials will be provided with a two (2) year warranty. Should a problem develop with any of these items within the warranty period, the Village would not be charged for any work to remedy the situation. The warranties on all non-Flowserve/Byron Jackson materials shall continue for a period of one (1) year from the date of final completion of the Work to be performed under the respective Task Order. Under this warranty, the Contractor shall remedy at his own expense any such failure to conform to any such defect. The above warranties would apply for any material or new pump components furnished, with the exception of non-Flowserve/Byron Jackson submersible motors. Non- Flowserve/Byron Jackson *equipment* will maintain the industry standard one (1) year warranty. Other submersible motor manufacturers will not warranty our labor, thus, we would need to bill the Village for the labor associated with any motor warranty projects with any other submersible motors. If in any case overtime is required to expedite a warranty repair, the difference between the overtime and standard hourly rates would be chargeable to the Village.

10. INDEMNIFICATION: Contractor agrees to indemnify, defend and hold Village, its directors, officers, employees and agents, harmless from and against any and all claims, demands, causes of action (including third party claims, demands or causes of action for contribution or indemnification), liability and costs (including attorney's fees and other costs of defense) for damages to property or injuries or death of any person arising out of any negligent act or omission of Contractor, its employees, agents or subcontractors in the performance of this Contract. Contractor, however, will not be obligated to indemnify Village against liability arising as a result of Village's, or its directors', officers', employees', agents' or other contractors', negligence or intentional misconduct or other liability for which Village has agreed

herein to indemnify Contractor.

Village agrees to indemnify, defend and hold Contractor, its directors, officers, employees and agents, harmless from and against any and all claims, demands, causes of action (including third party claims, demands or causes of action for contribution or indemnification), liability and costs (including attorney's fees and other costs of defense) for damages to property or injuries or death of any person arising out of any negligent act or omission of Village, its employees, agents or subcontractors in the performance of this Contract. Village, however, will not be obligated to indemnify Contractor against liability arising as a result of Contractor's, or its directors', officers', employees', agents' or subcontractors', negligence or intentional misconduct or other liability for which Contractor has agreed herein to indemnify Village.

Village agrees to indemnify, defend and hold Contractor, its directors, officers, stockholders, employees, agents and subcontractors, harmless from and against any and all claims, demands, causes of action (including third party claims, demands or causes of action for contribution or indemnification), liability and costs (including attorneys' fees and other costs of defense) which arise out of or result from (i) any release or threatened release of any substance (whether or not hazardous), including, without limitation, any hazardous waste, hazardous substance, pollutant, contaminant, toxic material, irritant, waste gas, liquid or solid material (as defined under state, provincial, or federal laws), or failure to properly detect or evaluate the presence or release or threatened release of any such substances on or from the job site, all except and to the extent that such claims, demands, causes of action, liabilities or costs are caused by the negligence or intentional misconduct of Contractor, its employees, agents, or subcontractors; or (ii) any holding or claim that Contractor or any of its subcontractors was a "generator" or "transporter" of hazardous waste or an "operator" of the job site (as such terms are used or defined under local, state, provincial, or federal laws).

11. LIENS: To the fullest extent permitted by law, Contractor shall take all actions necessary to prevent any Subcontractors from filing, any liens against Village or its property, including Village's Site, except when related to Village's failure to make timely payments hereunder. In addition, Contractor shall defend, indemnify and hold harmless Village and any of its property, including Village's Site, from all such liens that are filed.

12. CLAIM FOR DAMAGES: Regardless of anything to the contrary in any other part of this Agreement, neither party shall be liable to the other party for any special, indirect, incidental or consequential damages, whether based on contract, tort (including negligence), strict liability or otherwise, except in the event that the misconduct which give rise to such a damage claim are fraudulent or willful.

13. NOT USED.

14. NOT USED.

15. CHANGES: Village may at any time by a written Change Order notice make changes within the general scope of this Agreement and/or the respective Task Order. If any change results in a material increase or decrease in the cost of the Work or otherwise materially affects this Agreement, the Change Order notice shall include an equitable adjustment in the Price, the schedule and/or any other affected provision. Any objection by Contractor to the proposed equitable adjustment must be asserted within seven (7) business days after receipt of the Change Order Notice. Notwithstanding such objection, if directed by Village, Contractor shall proceed with the change. Contractor shall not proceed with additional work without written authorization from Village.

16. SUSPENSION OR INTERRUPTION OF WORK: Village may direct Contractor, in writing, to suspend or interrupt all or any part of the Work for such period of time as Village may determine to be appropriate. Contractor shall mitigate the costs of such suspension or interruption. Village agrees to reimburse Contractor for those expenses necessarily incurred directly as a result of such suspension or interruption, subject to Village's right to audit Contractor's books and records, except where such suspension or interruption results from Contractor's material noncompliance with the Purchase Agreement.

17. TERMINATION:

- a.) For Contractor's Default: In the event of a material default by Contractor in the performance of the Work, Village may, with ten (10) days written notice of termination to Contractor, terminate this Agreement unless Contractor within such ten (10) day period cures such default or, if the default cannot be cured in ten (10) days, takes and continues to take substantial steps to cure such default.
- b.) For Village's Convenience: The Village may, with ten (10) days written notice of termination to Contractor, terminate this Agreement at any time.
- c.) For Village's Default: Contractor may, with ten (10) days written notice of termination to Village, terminate this Agreement for nonpayment of amounts owed under this Agreement for 15 days or longer after such amounts become due, unless Village within such ten (10) day period cures such default or, if the default cannot be cured in ten (10) days, takes and continues to take substantial steps to cure such default. In the event of such termination by Contractor for any reason which is not the fault of Contractor, its subcontractors or their agents or employees or other persons performing portions of the Work under contract with Contractor, Contractor shall be entitled to recover from Village payment for all Work executed and for all loss with respect to materials, equipment, tools, and construction equipment and machinery.

18. CONFLICT ERRORS; OMISSIONS: In the event Contractor or Village becomes aware of any conflict, error or omission in the documents comprising this Agreement, such party shall bring the discrepancy to the attention of the other party. Such discrepancy shall be resolved by Village, subject to Contractor's right to seek to an equitable increase in compensation or time of performance.

19. INSPECTIONS AND TESTS: Village may inspect the progress of the Work provided under this Agreement including Services and Work Product performed at Contractor's facilities. If this Agreement, laws, ordinances, rules, regulations or orders of any public authority require any portion of the Services and Work Product to be inspected, tested or approved, Contractor shall give Village reasonable advance notice of completion of such portion of the Services and Work Product and need for inspection, testing and/or approval, and shall not continue with such portion of the Services or modify the such portion of the Work Product until such inspection, test or approval is completed. Contractor shall notify Village when, in its opinion, the Services and Work Product is completed. For a reasonable time after delivery and before acceptance, Village shall have the right to inspect and test the Work. Village shall notify Contractor if the Work or parts thereof do not conform to this Agreement. Contractor shall promptly correct, repair or replace all nonconforming Work at its sole expense and shall be responsible for the costs of returning any nonconforming Work. Acceptance and payment by Village shall not relieve Contractor of any of Contractor's duties and obligations.

20. NOT USED

21. VILLAGE'S PROPERTY: All tools, dies, jigs, patterns, equipment or material and other items furnished by or paid for by the Village, and any replacement thereof, shall remain the property of Village. Such property shall be plainly marked to show it is the property of Village and shall be safely stored apart from other property. Contractor shall not substitute other property for Village's property and shall not use such property except in filling Village's orders. Contractor shall hold such property at its own risk and upon Village's written request shall redeliver the property to Village in the same condition as originally received by Contractor, reasonable wear and tear excepted.

22. INSURANCE: Contractor shall purchase and maintain such insurance as will protect Contractor and Village from claims which may arise out of or result from Contractor's operations under this Agreement. Such insurance shall be written for not less than the coverage and any limits of liability specified below, whichever is greater. By requiring insurance specified herein, Village does not represent that such coverage and limits will necessarily be adequate to protect Contractor and the Village, and such coverage and limits shall not be deemed as a limitation on Contractor's liability under the indemnities or warranties of Contractor in this Agreement. Certificates of Insurance provided by Contractor shall state that they are Primary Insurance and shall be filed with Village Representative prior to the commencement of the Work. These Certificates shall contain a provision that the coverage afforded under the policies will not be canceled until at least thirty (30) days prior written notice has been given to Village, except ten (10) day's notice for non-payment of premium. The Village shall be named as an additional insured on all policies except workers' compensation and errors and omissions (if applicable).

23. BONDS: To the extent specified in an executed Task Order issued hereunder, the Contractor shall obtain from a surety authorized to do business in the State or Commonwealth of a surety bond and/or a material and labor bond in the form as set forth in Appendix 1. Unless otherwise provided in the Task Order, Village shall pay Contractor for the cost of the bond(s). In such

event, said bond(s) shall be delivered to the Village prior to the effective date of a Task Order issued hereunder. Said bond(s) shall be renewed annually in each contract year until such time as the Work as specified in a Task Order issued hereunder is Substantially Complete (sufficiently complete in accordance with the Task Order such that the Work can be occupied and/or utilized for its intended use without undue interference). Neither non-renewal by the surety, nor failure or inability of the Contractor to file a performance bond for subsequent terms under this Agreement shall constitute a loss to the surety recoverable under the bond(s).

24. TAXES: The Village of Sugar Grove is Tax Exempt and will furnish a Tax Exempt Certificate to the Contractor as a condition of this contract.

25. CONFIDENTIAL PROPERTY INFORMATION: Contractor shall be bound by the following confidentiality provisions:

a) In connection with the performance of the Services under this Agreement, Village may disclose to Contractor certain information which may include, but is not limited to, trade secrets, discoveries, ideas, concepts, know-how, techniques, designs, specifications, drawings, blueprints, diagrams, flow charts, data, computer programs, marketing plans, customer names and other technical, financial or business information, such as negotiations between the parties and discussions relating to the structuring of agreements, pricing, values, plans, prospects and assets of Village.

b) Such information whether in written, encoded, graphic or other tangible form, or provided orally, shall be deemed to be confidential and proprietary (hereinafter "Confidential Information") unless it is clearly identified by Village prior to such disclosures as not being confidential or proprietary and Contractor shall use reasonable efforts to keep all such information and data strictly confidential and Contractor shall not purposefully divulge or permit its employees to purposefully divulge any information or data so acquired to any third party. Should Village desire transmission of such information or data to any third party, Village shall specify in advance writing the authorized recipient and any pertinent transmission details. Provided, however, Confidential Information shall not include information:

- (i) previously known to Contractor free of any obligations to keep it confidential;
- (ii) which becomes publicly known through no act of Contractor;
- (iii) which is rightfully received from a third party who is under no obligation of confidence to either Village or Contractor;
- (iv) which is independently developed by an employee, agent or contractor of Contractor who did not have any direct or indirect access to the information furnished thereunder; or
- (v) where disclosure is required by law.

c) Contractor agrees that it shall use same solely for the purpose set forth in this Agreement, and further agrees that it shall not make disclosure of any such Confidential Information to anyone except those of its employees to whom such disclosure is necessary for the purposes authorized by this Agreement. In addition, and not by way of limitation of such obligations:

d) NOT USED.

- e) Upon termination of this Agreement, Village, upon request to Contractor, shall be entitled within 30 days of such request to delivery of all tangible Confidential Information furnished by it, whether contained or stored on tapes, discs, files or otherwise, without cost. Provided, however, Contractor shall be entitled to retain one copy of its files.
- f) The confidentiality provisions contained herein shall remain in effect for a period of three (3) years after expiration or termination of the Agreement.

26. OWNERSHIP OF WORK PRODUCT; INTELLECTUAL PROPERTY: Village shall own the Work Product resulting from or arising out of this Agreement upon Contractor's receipt of full payment hereunder, including work in progress. The Work Product prepared by Contractor is not intended or represented to be suitable for reuse by Village or others on extensions of the project or any other project. Any reuse without prior written verification or adaptation by Contractor for the specific purpose intended will be at Village's sole risk and without liability or legal exposure to Contractor. Contractor warrants that it will not infringe on the copyright, trademark, patent or trade secrets of any other person or entity in providing the Work under this Agreement.

27. PUBLICITY: Contractor shall not use Village's name nor issue any publicity releases, including but not limited to, news releases and advertising, relating to the Purchase Agreement without the prior written consent of Village.

28. FORCE MAJEURE: Neither party shall be liable *for* any failure or delay in performing its obligations hereunder, or for any loss or damage resulting therefrom, due to causes beyond its reasonable control, including but not limited to, acts of God, public enemy or government, riots, fires, natural catastrophe or epidemics. In the event of such failure or delay, the date of delivery or performance shall be extended for a period not to exceed the time lost by reason of the failure or delay; provided that Village may terminate this Agreement in accordance with Section 17b) hereof if the period of failure or delay exceeds ten (10) days. Each party shall notify the other promptly of any failure or delay in, and the effect on, its performance.

29. ASSIGNMENT: Contractor shall not assign this Agreement, in whole or in part, nor contract with any Subcontractor for the performance of the same or any of its parts, without first obtaining Village's written consent, which consent shall not be unreasonably withheld. In the event Village consents to such assignment to a Subcontractor, nothing contained in this Agreement or such consent shall be construed as creating any contractual relationship between any Subcontractor and Village. Contractor shall be as fully responsible to Village for the acts and omissions of Subcontractors, and of persons employed by it as it is for the acts and omissions of persons directly employed by it. Village's consent shall not be construed as discharging or releasing Contractor in any way from the performance of the work or the fulfillment of any obligation under this Agreement.

30. WORK BY VILLAGE: Village may be performing work related to the Work with its own forces through separate purchase agreements with other contractors. In such instances, Village reserves the right to coordinate the Work with the work of its forces and the other contractors.

31. CONDITION AT VILLAGE'S SITE: When the proper performance of any part of the Work depends upon other work, whether performed by Contractor or others, Contractor shall verify all necessary dimensions, measurements and equipment that may affect the Work. No adjustment to the Price shall be made for Contractor's failure to comply with this Section.

32. PROTECTION OF PROPERTY AND PERSONS: equipment or material (including without limitation informational material) furnished by Village and all jigs, fixtures, dies, tools or patterns that Village has paid Contractor for shall, unless otherwise agreed in writing, be the property of Village and shall be returned to Village. Contractor will not use such equipment, material, jigs, fixtures, dies, tools and patterns in any of its business except its business with Village under this or other purchase orders. Contractor shall take all necessary precautions during the progress of the Work to protect all persons and the property of Village and others from injury, loss or damage including, without limiting Contractor's duties, any precautions directed by Village. Contractor shall assume full responsibility for all tools, equipment and materials to be used in connection with the Work.

33. SAFE WORK SITE: SECURITY: Contractor shall be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the Work. Contractor shall conduct all Work in compliance with OSHA regulations, the regulations of any other agency having jurisdiction over safety and health. Contractor shall maintain all reasonable safeguards at Village's Site to protect both employees and the public from injury or damage. The Contractor shall erect and maintain, as required by existing conditions and progress of the Work, all reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards, promulgating safety regulations and notifying owners and users of adjacent utilities. Contractor shall comply with any safety, security and site access requirements of Village of which it has been made aware and shall sign a safety declaration if requested by Village. Without limiting Contractor's responsibilities under this Agreement, Village may require Contractor to remove from Village's Site any individual Village deems incompetent or otherwise objectionable, which determination shall be within the reasonable discretion of Village.

34. PREMISES: Contractor shall confine its facilities, materials, tools and equipment on Village's Site in areas specified by Village for that purpose. Contractor shall during the progress of work and on a daily basis upon completion of the Work, clean up and remove from Village's Site and from the adjoining premises, driveways and streets all waste materials, rubbish, tools and machinery, and leave Village's Site and adjoining premises, driveways and streets free and clear from all obstructions. Furthermore, at the completion of Work, Contractor shall return Village's Site to its original condition or as otherwise required in the scope of work.

35. VILLAGE'S APPROVAL OF PLANS, SPECIFICATIONS AND SCHEDULES:

Contractor shall develop and submit for review and approval by Village any procedures, checklists, drawings, specifications and other documentation requested by Village to verify that the Work conforms to this Agreement. Contractor shall not proceed with any part of the Work which requires prior approval by Village until such approval has been obtained.

36. DISPUTE RESOLUTION: The parties shall use good faith efforts to resolve any disputes hereunder. In the event of a dispute hereunder that cannot be resolved by mutual discussions between the Village and the Contractor, the disputing party shall provide written notice to the other party outlining in detail the basis for the dispute. The other party shall respond in writing within thirty (30) days, or such longer period as may be mutually agreed. Disputes not resolved within sixty (60) days following the issuance of written notice shall be referred to non-binding mediation. If within sixty (60) days after such disputes are referred to mediation, no resolution has been reached; either party may pursue its remedies in the courts.

37. NOT USED

38. NOTICES: Any notice required under the Agreement shall be in writing and shall be delivered, in person or transmitted by certified mail, return receipt requested, or national courier service providing proof of receipt, to the parties listed below. Either party may update such addresses on written notice to the other party. Notices shall be effective upon receipt.

To the Village:
Village of Sugar Grove, IL
10 Municipal Drive
Sugar Grove, IL 60554

To the Contractor:
Layne Christensen Company
721 W. Illinois Ave.
Aurora, IL 60506

39. INDEPENDENT CONTRACTOR: Contractor shall operate as an independent contractor in the performance of this Agreement and not as an agent or employee of Village.

40. NOT USED.

41. SEVERABILITY: If any provision(s) of this Agreement is found by a court of competent jurisdiction to be illegal or otherwise unenforceable, such provision(s) shall be deemed not to be a part of this Agreement and the remaining provisions shall remain in full force and effect.

42. SURVIVAL: The obligations and rights of the parties pursuant to the Assignment, Liens, Warranties, Confidential/Proprietary Information, Indemnification, Dispute Resolution, Publicity and Payment shall survive the expiration or early termination of this Agreement.

43. LAWS; CODES; RULES; REGULATIONS: Contractor and its Subcontractors at their own expense shall obtain all necessary licenses and permits to conduct their businesses and those that are specific to the Work and shall otherwise comply with all applicable federal, state and local laws, statutes, ordinances, codes, rules and regulations relating to performance of the Work, including but not limited to safety, environment, labor standards and workers' compensation.

To the extent this contract calls for the construction of a "public work," within the meaning of the Illinois Prevailing Wage Act, 820 ILCS 130/.01 et seq. ("the Act"). The Parties recognize that the Act requires contractors and subcontractors to pay laborers, workers and mechanics performing services on public works projects no less than the current "prevailing rate of wages" (hourly cash wages plus amount for fringe benefits) in the county where the work is performed. The Department publishes the prevailing wage rates on its website at <http://www.state.il.us/agency/idolirates/rates.HTM>. The Department revises the prevailing wage rates and the contractor/subcontractor has an obligation to check the Department's web site for revisions to prevailing wage rates. For information regarding current prevailing wage rates, please refer to the Illinois Department of Labor's website. All contractors and subcontractors rendering services under this contract must comply with all requirements of the Act, including but not limited to, all wage requirements and notice and record keeping duties.

44. NON-DISCRIMINATION IN EMPLOYMENT: Village, Contractor and Contractor's Subcontractors (if any) agree to comply fully with the terms, provisions and obligations of the following clauses, as amended and supplemented from time to time, which are incorporated by reference into the Purchase Agreement: The Equal Opportunity Clause required by Executive Order 11246, as amended; Affirmative Action for Disabled Veterans of Vietnam Era Clause as required by the Vietnam Era Veterans Readjustment Assistance Act, and Affirmative Action for Handicapped Workers Clause or regulations issued pursuant to the foregoing, unless exempted by the Secretary of Labor.

45. NO CONTINGENT FEE WARRANTY: Contractor hereby warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except bona fide employees or bona fide established commercial or selling agencies maintained by Contractor for the purpose of securing business. In the event of a breach of this warranty, Village shall have the right to annul this contract without liability or in its discretion to deduct from the moneys due Contractor under this Agreement the full amount of such commission, percentage, brokerage or contingent fee.

46. GOVERNING LAW; JURISDICTION: This Agreement shall be governed by, construed in accordance with and enforced under the internal laws of the State or Commonwealth where the job site is located at which the Work is to be performed, without reference to the choice of law principles thereof. Each of the parties hereto irrevocably submits to the exclusive jurisdiction of the federal or state courts of such State or Commonwealth.

47. NON WAIVER: The failure of either party in anyone or more instances to insist upon the performance of any of the terms or conditions of the Agreement or to exercise any right hereunder shall not be construed as a waiver or relinquishment of the future performance of any such terms or conditions or the future exercise any such right.

48. ENTIRE AGREEMENT: This Agreement contains the entire agreement between the parties with respect to this subject matter and supersedes any and all prior oral or written agreements. This Agreement governs repair and maintenance Work performed by Contractor for Village; any and all construction work performed by Contractor for Village shall be governed by Village's separate and distinct Construction Agreement with Contractor.

49. EXHIBITS, SCHEDULES AND APPENDICES: The following are attached to and expressly made a part of this Agreement:

- Schedule A – Partial description of services
- Schedule B – Price/Compensation/Rates
- Schedule C – Insurance requirements and example
- Schedule D – Special Conditions
- Schedule E – Annual Preventative Maintenance Testing Task Order
- Exhibit 1 – Task Order
- Exhibit 2 – Layne Qualifications and Services

50. CHANGED CONDITIONS: The discovery of any hazardous waste, substances, pollutants, contaminants, underground obstructions, conditions or utilities on or in the job site which were not brought to the attention of Contractor prior to the date of this Contract and which materially and adversely impair Contractor's ability to meet its obligations hereunder will constitute a materially different site condition entitling Contractor, at its option, to terminate this Contract (and to receive payment for all work performed up to and including the date of such termination) or to receive an equitable adjustment in the Contract price and time for performance. Contractor, however, shall only have the right to terminate if such different site condition(s) creates additional health and safety risks or requires Contractor to perform work outside the original scope or beyond its capabilities.

**Village of Sugar Grove, IL
Layne Christensen Company Professional Services Agreement
August 1, 2017**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

Village of Sugar Grove, IL	Layne Christensen Company
Print Name:	Print Name:
Title:	Title:
Signature:	Signature:
Attest:	Attest:
Date:	Date:

SCHEDULE A

DESCRIPTION OF WORK/SPECIFICATIONS

Projects to Include but not limited to:

- Preventative Maintenance Testing on Well and Booster Pumping Equipment
- Single-Source Contracting
- Operation and Maintenance Services
- Well and booster pump removal, inspection, repair, and reinstallation
- Downhole Video Services
- Well Rehabilitation (Chemical and Mechanical)
- Well Construction
- Pumping Equipment
- Pump Repair and Maintenance Service
- Environmental Drilling
- Hydrogeological Investigations
- Test Hole Drilling Management
- Well Siting Services
- Well Logging Services
- Aquifer Performance Studies
- Hydrogeological Modeling
- Surface Geophysics
- Borehole Geophysics
- Water treatment equipment maintenance and rehabilitation services

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SCHEDULE B

WORK ORDER



Layne Christensen Company
721 W. Illinois Avenue, Aurora, IL 60506; Phone (630) 897-5941
229 W. Indiana Ave., P.O. Box 480, Beecher, IL 60401; Phone (708) 945-2344
SCHEDULE B

Purchaser: _____
Job Location: _____

SERVICE RATES - EFFECTIVE OCTOBER 1, 2016

	Straight Time		Overtime	Doubletime
	Per Hr.	8 Hr. Day	Per Hr.	Per Hr.
Serviceman w/hand tools	184.00	1472.00	276.00	368.00
Serviceman w/service truck and hand tools, or welder	213.00	1704.00	305.00	397.00
Helper	150.00	1200.00	225.00	300.00
Serviceman and 1 Helper	334.00	2672.00	501.00	668.00
<u>Small Rig or Winch Truck (\$48.00)</u>				
1 Man Crew	232.00	1856.00	324.00	416.00
2 Man Crew	382.00	3056.00	549.00	716.00
3 Man Crew	532.00	4256.00	774.00	1016.00
<u>Middle Rig, Large Hoist or Flatbed Crane (\$64.00)</u>				
1 Man Crew	248.00	1984.00	340.00	432.00
2 Man Crew	398.00	3184.00	565.00	732.00
3 Man Crew	548.00	4384.00	790.00	1032.00
<u>Big Rig, Large Hoist and Poles, or Large Crane (\$105.00)</u>				
1 Man Crew	289.00	2312.00	381.00	473.00
2 Man Crew	439.00	3512.00	606.00	773.00
3 Man Crew	589.00	4712.00	831.00	1073.00
4 Man Crew	739.00	5912.00	1056.00	1373.00
Power Tong Usage, per 8 hour shift		480.00		
<u>Machine Shop/Yard Labor and Equipment</u>				
Machinist and Equipment	177.00	1416.00	257.00	337.00
12" Threading Machine and Operator	203.00	1624.00	283.00	363.00
Serviceman w/hand tools	160.00	1280.00	240.00	320.00
Helper	147.00	1176.00	220.50	294.00
Sandblast Equipment and 2 man crew	355.00	2840.00	508.50	662.00
Mileage: Auto: \$0.55 Pickup: \$0.70 1-Ton:\$1.00 2-1/2 Ton Flatbed: \$2.10 Semi-Tractor: \$2.75				
<u>Subsistence-Per Man</u>				
Over 55 miles radius from home office.....\$60.00 + Hotel				

REMARKS:

Work Authorized on Behalf of Purchaser By: _____
Date: _____ Title: _____

Village of Sugar Grove, IL
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SCHEDULE C

INSURANCE REQUIREMENTS
Example certificates furnished below

CERTIFICATE OF LIABILITY INSURANCE		DATE (MM/DD/YYYY) 07/24/2017			
THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.					
IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).					
PRODUCER MCGRIFF, BEIBELS & WILLIAMS OF TEXAS, INC. 818 Town & Country Blvd, Suite 500 Houston, TX 77024-4549	CONTACT NAME: PHONE (A/C, No, Ext): 713-877-8975 FAX (A/C, No): 713-877-8974 E-MAIL ADDRESS:				
INSURED LAYNE CHRISTENSEN COMPANY 721 W ILLINOIS AVENUE AURORA, IL 60506	INSURER(S) AFFORDING COVERAGE NAIC # INSURER A :Zurich American Insurance Company 16535 INSURER B :American Guarantee and Liability Insurance Company 26247 INSURER C :Underwriters at Lloyd's London INSURER D :American Zurich Insurance Company 40142 INSURER E :Zurich American Insurance Company of Illinois 27855 INSURER F :				
COVERAGES CERTIFICATE NUMBER: SSMAYCJU REVISION NUMBER:					
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.					
TRR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	GLO D154362-01	08/01/2017	08/01/2018	EACH OCCURRENCE \$ 1,250,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,250,000 GENERAL AGGREGATE \$ 10,000,000 PRODUCTS - COMPROP AGG \$ 10,000,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY	BAF D154359-01	08/01/2017	08/01/2018	COMBINED SINGLE LIMIT (Ea accident) \$ 5,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$	AUC D154471-01	08/01/2017	08/01/2018	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000
D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	WC D154360-02 (AOS) WC D154361-02 (WI & MA)	08/01/2017	08/01/2018	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 5,000,000 E.L. DISEASE - EA EMPLOYEE \$ 5,000,000 E.L. DISEASE - POLICY LIMIT \$ 5,000,000
C	Contractors Equipment	EG0376516	11/01/2016	05/01/2018	All Leased & Owned Equipment Per Occurrence: \$ 5,000,000
DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required) Re: Well and pump work Certificate holder is included as an Additional Insured on the General Liability, Excess Liability and Automobile Liability policies as required by written contract subject to policy terms, conditions and exclusions. In the event of cancellation by the insurance company(ies) the General Liability and Automobile Liability policies have been endorsed to provide (30) days Notice of Cancellation (except for non-payment) to the certificate holder shown below. Primary & Non-Contributory wording is included on the General Liability, Automobile Liability and Excess Liability policies as required by written contract, subject to policy terms, conditions and exclusions.					
CERTIFICATE HOLDER			CANCELLATION		
VILLAGE OF SUGAR GROVE, IL 10 MUNICIPAL DRIVE SUGAR GROVE, IL 60554			SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE		

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SCHEDULE D

SPECIAL CONDITIONS

Village and Contractor may mutually agree to extend the term of this Agreement if the parties agree, in writing, on the terms of such extension. The billing rates in Scheduled B will increase annually as agreed by the parties.

TASK ORDER Services shall be provided only as specifically set forth in written Task Orders that shall be issued by the Village. The Contractor is responsible for ensuring that they receive an executed copy of each Task Order. A Task Order form is attached hereto as Exhibit 1. Unless indicated otherwise on a Task Order, for purposes of this Agreement, Contractor shall report to and be responsible to the Village's Representative, who shall be designated by the Village. The Contractor shall not commence work until it receives an executed Task Order for such work, or alternatively a Village executed Purchase Order.

SCHEDULE E

Date	TBD
Project Name	ANNUAL PREVENTATIVE MAINTENANCE TESTING
Project Scope (provide attachment as required)	<p>The preventative maintenance testing will consist of obtaining current static water level., gpm, pumping water level, drawdown, amperage, discharge pressure, etc. The data will be recorded on a well test data sheet and plotted on the original pump curve. A short analysis of current and previous data along with the data sheet and curve will be provided. The data will provide information on how the pumping assembly and well are currently operating.</p> <p>The pumps' capacities (gpm) will be recorded utilizing a calibrated orifice at Wells 5, 6, and 7. Temporary piping, fittings, and hose would be installed to pump the well to waste. A serviceman with service truck and helper will be utilized to perform these tasks.</p> <p>The pumps' capacities (gpm) will be recorded utilizing facility meters at Wells 2, 4, 8, 9, 10, and 11. A serviceman with service truck will be utilized to perform these tasks.</p>
Schedule / timeline	Annual, per Village/Contractor mutually agreeable schedule.
Additional Information	<p>Payment per current Schedule B Total not to exceed: (32) hours Serviceman with Service Truck and (16) hours Helper less 5%.</p>

Village of Sugar Grove, IL
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August 1, 2017

Exhibit 1
Task Order

Date	
Project Name	
Project Scope (provide attachment as required)	
Schedule / timeline	
Additional Information	

Village of Sugar Grove, IL	Layne Christensen Company
Signature:	Signature:
P. Sean Michels, Village President	
Attest:	Attest:
Cynthia Galbreath, Village Clerk	
Date: August 15, 2017	Date:

Exhibit 2

Layne Capabilities and Experience

1. HISTORY

A. Layne Christensen Company

Mahlon E. Layne began his well drilling career in 1882 in the Dakota Territory. Within a decade, the well drilling industry would be permanently changed by his innovations, earning more than 60 patents. Some of his innovations consisted of the design of a faster, more efficient steam-powered drilling rig; the Layne Pitless Pump, one of the first vertical turbine lineshaft pumps; the development of the Gravel Wall well; and the invention of the Layne shutter screen.

Mr. Layne's Company, founded in 1882, has developed into an organization that is today known as Layne Christensen Company. With over 90 offices in the United States, and several more around the world, Layne Christensen Company is the largest provider of drilling services in the United States and one of the largest in the world.

Originally known as Layne-Western Company, our Illinois office was organized in May of 1924 with an 8' x 10' office, one well rig, and four employees. The Aurora, Illinois District has been part of this long standing organization for the last 80+ years with previous offices in Chicago, Illinois.

The Layne Companies, including the Aurora, Illinois District, have thrived on the utilization of a professional engineering staff to coordinate all work with the Client, maintain a high level of communication between the Client and field service crews, and to handle all water related needs of the needs of the Client.

The Aurora, Illinois District has always handled the water supply needs for the Village of Sugar Grove, Illinois. The Layne Christensen Aurora District continues to be one of the top operations in the Water Resources Division of Layne Christensen Company. However, support is always available from other Layne Districts such as St. Louis, Missouri; Milwaukee, Wisconsin; Lansing, Michigan; etc.

B. Aurora District/Village of Sugar Grove, Illinois Relationship

The relationship between Layne and the Village of Sugar Grove began in 1960. Our relationship has remained and grown almost continuously since 1960 and has included well construction, well rehabilitation, pump repair, testing, troubleshooting, etc. The Village currently utilizes premium Byron Jackson Type H submersible motors in all of its wells. Layne is the sole

source representative for Byron Jackson submersible pumps and motors in the state of Illinois.

C. Emergency Response

While there are fewer Villages now with single wells, there still are emergency situations in the water supply business. Our Emergency Response Procedures continue to be refined, as needed, in order that all customer needs are handled in a proper and expedient manner.

We currently utilize an answering machine at the Aurora, Illinois District office that details three phone numbers; two of our Account Managers' home numbers and our Beecher, Illinois office number. The latter number for the Beecher office would provide five individuals' after-hours phone numbers if there is no answer.

Our Account Managers also have personal cards that include their cell phone numbers. While the Village of Sugar Grove's emergencies have been rare over the years due to the significance of your water system and well documented preventative maintenance, this procedure has been tested favorably several times in the past. We attempt to determine the priorities of each project and, of course, maintain contact with each Client to ensure project completions are to each Client's satisfaction.

The Village of Sugar Grove will receive priority service in event of an emergency situation. The Village will have the governing opinion on whether a project is to be deemed an "emergency."

2. Contractor Personnel

A. Professional Engineering Staff

We utilize a professional engineering staff of Account and Project Managers to handle all project coordination with the Client. The experience of the four professional engineers in the Aurora District exceeds 100 years with the vast majority of this experience at Layne Christensen.

B. Field Crew Operations

Our field crew operations are coordinated by Greg Swanberg, our Operations Manager. He is supported by two Field Superintendents in an effort to coordinate the field service with the engineering staff/Client. We have included an organizational chart for our field operations also.

C. Lead Project Manager and Key Support Staff

In addition to the Lead Project Manager, all other Engineering staff and Field Operations Management are available for any project management assistance. The secondary Project Manager will be Thomas P. Healy, P.E.

D. Emergency Contact Information, in order of contact

Office phone numbers:
Aurora, IL 630-897-6941;
Beecher, IL 708-946-2244

William Balluff, P.E.: 708-417-2108 cell

Michael McDonald: 630-486-8343 cell

Tom Healy, P.E. : 630-897-9518 home
708-514-2233 cell

Bill Diehl: 815-746-2406 cell

Jason Gerwing: 407-488-0460 cell

E. Field Work Force

Our field service crews are all members of the International Union of Operating Engineers, Local 150 and are comprised of many very experienced well and pump servicemen in addition to newer hires who will provide the enthusiasm and experience for the future.

F. Corporate Support Staff

As a now International Water Supply and Mineral Exploration Company, we have considerable Corporate staff that can be relied upon for their expertise. Specifically for the type of work for the Village of Sugar Grove, Illinois, we offer the following:

- * Safety and Environmental Health Sciences Division (SEHS) – Zach Hankins, Great Lakes Group Safety Director

The SEHS staff is responsible for all safety related issues. We utilize a comprehensive safety program and abide by our Safety Practice Manual Regulations.

- * Water Technologies Division – Ron Rappard, Great Lakes Group Water Treatment Specialist

By purchase of the Layne Hydro Group in the mid 1990's, a Water Treatment Division is now part of the Layne Christensen Company. The Water Treatment Division has been in existence for over 20 years and has recently reorganized as Layne's Water Technologies Division. Layne's Great Lakes Group has completed numerous projects in Illinois, Wisconsin, and Michigan for the removal of radium, iron, manganese, arsenic, and nitrates. Layne has treatment capabilities to address all contaminants that could be encountered while developing a potable water supply.

- * Layne Hydro

Professional Hydrologists and Geologists are on staff, in our Aurora, IL and Milwaukee offices, for any type of water supply needs. These can entail aquifer studies; well-head protection investigations, well rehabilitation problems, etc. While the Hydro group would be more applicable for the future water supply development, their expertise can also be utilized for well rehabilitation projects.

- * Other Layne Districts (Great Lakes Group)

As mentioned before, other districts in the surrounding states can be utilized to provide additional flexibility in any emergency situation. The Aurora, IL; Milwaukee, WI; and St. Louis, MO Districts are more closely aligned as the *Great Lakes Group*. We are a "sub" group in the Company and work in conjunction on various projects/needs. We also have access to Layne rigs and crews in the other seventy plus U.S. office locations.

3. Field Equipment – Applicable to Sugar Grove, Illinois Wells

A. SEMCO –S30,000 Pump Service Rig:

This 2009 pump service rig and support equipment is capable of pulling any Sugar Grove, IL well pump. It allows for the use of either three or four man pump service crews depending upon the pump house and pump configuration.

B. Smeal R36 Pump Service Rig:

This 2007 pump service rig and equipment is also capable of pulling any Sugar Grove, IL well pump. It is also a three or four man pump service crew-type rig depending upon the pump house and pump configuration.

C. Smeal R12E and Semco 25K:

These pump service rigs are capable of pulling pumps with weights approaching 40,000 pounds. They allow for the use of either three or four man pump service crews depending upon the pump house and pump configuration.

D. National 16 Ton Truck Crane:

These two National cranes are used as support for all pump service projects for delivery, pickup, etc. The scheduling of these cranes is usually quite flexible.

E. Bucyrus-Erie 36L Cable Tool Rig:

This cable tool drilling rig is frequently utilized for deep well workover/rehabilitation. The rig's configuration makes it very valuable in liner replacement, airlift well rehabilitation, and well reconstruction. This rig is also capable of pulling any of the Village's well pumps with either a three or four man pump service crew.

F. Chemical Treatment Unit (CTU):

Due to the increasing awareness of potential environmental damage in chemical treatment projects, Layne Christensen Company designed and has built several Chemical Treatment Units (CTU). We currently utilize three (3) CTU's at our disposal to allow for the treatment and neutralization of large quantities of acidic, basic, chlorinated, and turbid well-derived fluids. We can

introduce the appropriate well treatment chemicals and neutralization chemicals in liquid or granular form. The treatment process is enhanced with the 2000 or 4000 gallon truck mounted tanks that can be used as surge tanks during the treatment process. This backflushing provides added energy to enhance the chemical treatments. During the discharge process, the 1000GPM mounted centrifugal pump can discharge the neutralized chemicals to the desired, distant location.

G. Aries Video Survey / Sonar-Jet® Well Rehabilitation Van

This is a cargo van with equipment to televise wells over 2000' deep and to perform all necessary Sonar-Jet Well Cleaning projects. Our part-time technician is our former Operations Manager who has 50 years of experience with the Company.

H. Other Layne Districts

Including our Beecher, Illinois office, who utilizes several of the same pump service rigs as described above, we have access to be able to use any of the 300 rigs in the Layne organization.

4. Aurora, Illinois Facility

A. Machine Shop

We utilize two full time, Union machinists to perform all necessary machining, fabrication, etc. for all pump repairs. The machine shop is a fully owned Layne facility and is operated by Layne employees in order to expedite and prioritize repairs as necessary. The machine shop utilizes two machine lathes for the fabrication of lineshafts, impeller shafts, bowl bushings, wear rings, etc. and a larger 22 ft. machine lathe for single pointing of larger diameter column pipe, threading of stainless steel pipe, and machining of large flanges. Two raised pump assembly racks are used for bowl assembly, tear down, and reassembly.

B. Sandblasting and Coating Work

A large portion of the yard is utilized for all needed sandblasting and coating work. Air compressors, sandblasting pots, and all necessary safety equipment are housed in an adjacent warehouse building. The pipe and oil tube coating work can be applied either by roller or airless sprayer equipment. Pipe coating work will normally include the use of PPG Aquapon LT NSF 61 epoxy coating.

C. Pipe Threading/Repair

We utilize our Oster 12R pipe threading machine for all necessary pipe repairs, rethreading, or threading of new column pipe. We can thread up to 12" pipe diameter in this machine and have done so on Village projects.

D. Available Inventory

We normally stock approximately \$750,000 (\pm) worth of Byron Jackson submersible pumping equipment and Layne and Bowler line shaft pumping equipment components, parts, etc. in our Aurora, Illinois yard. The decision to maintain such a high level of inventory was made many years ago so that we are able to expedite any emergency repairs that may arise.

5. Project Costs

A. Layne Work Order Form

Well rehabilitation and pump repair work is normally performed on a time and material basis. In the past, our work has been performed according to the rates, terms, and conditions of our standard Work Order Form as shown in Schedule B.

B. Professional Engineer Cost

While Professional Engineers are on our Engineering staff, we do not do the typical Professional Engineering-type work. This type of work is left up to your Consulting Engineer of choice and we do not intend to infringe on their profession.

However, the availability of a Professional Engineer may be of some benefit to the Village. This could include, but is not limited to, project management, attending Village meetings, trouble shooting, or doing any type of preventative maintenance checking of the well that is necessary.

C. Various Well Treatment Methods

It is difficult to provide a breakdown of the various well treatment/rehabilitation costs. The same process or project at one well might be a different cost than another well, due to varying depths, diameters, etc. We will provide a detailed

estimate before any well treatment/rehabilitation prior to the beginning of any work.

1. 2000 Gallon C.T.U.
2. 4000 Gallon C.T.U.
3. BoreBlast™ Treatment Base Charge
4. Downhole Video Survey
5. High Potential Testing
6. Furnish, Install and Remove Airlift Surging Equipment
7. Well Development by Airlift Surging
8. Furnish, Install and Remove Air Pressurizing Equipment
9. Well Development by Air Pressurizing
10. Double Block Shooting
11. Penetrating Shots: 90 Gram
12. Bulk Nitroglycerin Shots

D. Rate Increases

Layne currently has a contract through 2013 with the International Union of Operating Engineers Local 150. This contract includes nominal increases each year for our service men. In addition to these increases our standard Work Order form may be updated periodically to account for changes in fuel pricing, equipment configurations, etc. In the case of this Service Agreement we would propose to furnish the Village a new Work Order form, along with any changes in the Well Treatment lump sums, for review and approval whenever changes are made to our standard Work Order form.

E. Well Contract Term

We propose to enter into this agreement with the Village for a minimum of 5 calendar years. At the end of the initial contract term the Village will have the option of renewing the contract in 5 year intervals.

F. Warranties

All labor, workmanship, and new materials would be provided with a two (2) year guarantee or warranty on all workmanship and new Flowserve/Byron Jackson equipment and materials. Should a problem develop with any of these items within the warranty period, the Village would not be charged for any work to remedy the situation. However, if overtime is required to expedite the repair, the difference between the overtime and standard hourly rates would be chargeable.

The above warranties would apply for any material or new pump components furnished, with the exception of non-Flowserve/Byron Jackson submersible motors. Non-Flowserve/Byron Jackson equipment will maintain the industry standard one (1) year warranty. Other submersible motor manufacturers will not warranty our labor, thus, we would need to bill the Village for any motor warranty projects with any other submersible motors.

G. Other – Miscellaneous Fees

As stated during the well treatment method cost sections, it is also very difficult to provide detailed costs for pump repairs, pump parts, etc. since there are so many variables involved. We would negotiate all of these costs with the appropriate Village representative before proceeding with any work.

6. Pump Manufacturer Representation

We have several exclusive dealership agreements that would allow for only Layne-Western to provide the appropriate, genuine parts for the various well pumps. These agreements are with:

- A. Layne and Bowler, a Division of Pentair Pump Group
- B. Byron Jackson, a Division of Flowserve/IDP/Pleuger Pumps
- C. Pleuger Submersible Motors and Pumps, a Division of Flowserve/IDP/Pleuger Pumps
- D. Christensen Pumps (ITT-Goulds)

The submersible pumps utilized by the Village all use the Byron Jackson Type H submersible motor. The pumps are also Byron Jackson submersible pumps. While non-genuine parts could be available from other manufacturers, we would be able to provide the genuine repair parts at the lowest cost available. We also maintain an extensive inventory of replacement parts that allows our machine shop to expedite typical pump repairs.

Layne introduced the Christensen Pumps several years ago, which utilizes Goulds pump components along with long time Layne and Bowler features such as the Layne combination coupling. While the Goulds pump agreement is non-exclusive, we receive a quantity discount from Goulds pump because of all the various Layne Districts that purchase from them.

We also represent Johnston and Peerless Pump Companies, two long time, highly reputable pump manufacturers.

7. General Scope of Work

A. Lead Project Manager Duties

The Lead Project Manager will be involved well before the project commencement. Once the authorization has been received to move forward with a project(s), the Lead Project Manager would provide any desired information, estimates, etc. to the Village; schedule the crew for work; handle all details of the project during the course of the work; and basically handle everything necessary from start to finish including the procurement of materials, invoicing the Village, etc.

The Lead Project Manager would also be available for periodic site visits, review of present pumping data, troubleshooting, etc., and as desired by the Village Water Department.

The Lead Project Manager will also update the well and pump repair history and provide two copies to the Village after each project.

B. Field Crews

The field service crews would be responsible for contacting the appropriate Village representative prior to arrival in Village and discuss all facets of the project before proceeding with any work. Daily operations would include all measures necessary to efficiently carry out the work needed at the specific well(s). With the inclusion of the Nextel portable phone system, our field crews are able to provide timely updates on any developments during the course of the project. Should notification and/or approval of any changes in the scope of work be necessary, the Village would be contacted immediately.

C. Typical Pump Repair

A pre-test before pulling a pump may be done if there is some question as to the specific capacity or production of the well.

All safety measures would be undertaken to properly set up the pump service rig, support equipment, etc. Assuming the pump is pulled in a typical fashion without fishing for its retrieval due to a pipe separation, etc.;

each well pump would be pulled and transported to our machine shop for disassembly and inspection.

Following the removal of the well pump, the following would typically be done:

- Measuring the total depth and static water level of the well
- Inspecting column pipe on-site and deciding on need for sandblasting for inspection, power washing, etc.
- Dismounting the bowl assembly from motor
- Dewatering the motor seal chamber and performing seal flotation tests
- Placing the motor in a storage position
- Draining the motor completely and servicing the motor with a new oil filter and replacement oil (**Note that all motor servicing will be completed on-site by factory certified Byron Jackson service personnel*)
- Disassemble the bowl assembly in Aurora machine shop for further inspection, cleaning, repairs, etc.
- Perform all necessary repairs, as authorized by the Village
- Reinstall and perform minimum two hour pumping test to waste
- Demobilize all equipment

In the case of a typical pump repair project, as well as any well rehabilitation project, the crew will fill out a detailed Well Test Data Sheet for typing and ultimate delivery to the Village. We typically would take readings at 10 minute intervals recording GPM, water levels, pressure, 3 phase amps, and note water quality.

The well would be disinfected with any bacteriological samples collected and analyzed by the Village, if desired.

8. Key Subcontractors/Suppliers

A. Flowserve/Byron Jackson – Taneytown, Maryland

Layne Christensen is the exclusive representative for all Flowserve/Byron Jackson submersible pumping equipment in the state of Illinois. Any motor repairs would be conducted at the Flowserve facility in Taneytown. Repair items from our stock including flat cables, submersible motors, bowl castings and impellers are original equipment produced by Flowserve/Byron Jackson.

B. K&K Supply Company – Conroe, Texas

While we do not have an exclusive agreement, we do receive a Layne national quantity discount through our Central Purchasing Department for the use of K&K Supply for various repair components such as threaded and coupled column pipe, pipe couplings, column check valves, etc.

C. Water Systems Engineering – Johnson Screen

As mentioned previously, we have an alliance with these two firms for the future development and improvement in water well rehabilitation technology. In Appendix B, we have included a sample report that we can obtain from Water Systems Engineering which is basically a detailed water chemistry profile with bacteria analysis and recommendations. Two sets of samples are taken and delivered to WSE for analysis and their detailed report.

9. Well Rehabilitation Methods

A. Traditional Chemical Treatments

We have performed the following types of treatments for many, many years with some very good results:

- Super-chlorination: We would typically use sodium hypochlorite for any super chlorination project, in concentrations that would vary depending upon the situation.
- Acid Treatment: Hydrochloric acid and water is mixed to make a 15% muriatic acid solution. This is the traditional acid treatment solution.
- Non-Polyphosphate treatments can be performed in the rare cases where sands or silts are a problem. We tend to stay away from polyphosphate treatments due to the fact that they are food for bacteria.
- Stiles-Kem products, such as their Bio-Purge or WD-3100 chemicals have been utilized to enhance the results from our Surge and Purge and BoreBlast well treatment methods.

As mentioned previously, our Chemical Treatment Unit can be utilized in any of the above cases to help the injection of the chemical solution; surging of the solution while in the well during reaction; and neutralization during the discharge process.

B. BoreBlast™

C.

Many deep wells in northern Illinois have been developed using the BoreBlast process. The BoreBlast process, described in the enclosed brochure, utilizes an Air Impulse Generator suspended on a flexible high pressure hose. The tool is filled with high pressure nitrogen, or, in extreme cases, air. When the tool discharges the gas is released into the well bore. The brief release of energy creates a rapid movement of water in a percussive wave. The combined forces loosen any buildup or materials accumulated on the borehole walls. This process has also been used to successfully develop sandstone formations to increase specific capacity and decrease sand pumpage. In conjunction with this process we often utilize a submersible pump or airlift surging equipment so that we are able to pump off the loosened material immediately from the well. The various, available chemicals could also be used to help enhance this process.

D. QC-21® Well Cleaner

This is a variation of the traditional hydrochloric acid treatment and includes the use of our special QC-21 well cleaner as developed by our chemist Roger Miller and Water Systems Engineering. The addition of the QC-21 well cleaner allows us to significantly reduce the amount of the hazardous hydrochloric acid used in a well treatment. It also allows us to leave the solution in the well longer for more reaction time because of the much greater holding capacity of the dissolved solubles provided by the QC-21 well cleaner.

E. Miscellaneous

There are a number of other available well treatment methods such as surge block development, brushing, airlifting, air pressurizing, etc. that are basically very general in nature and obviously available to use, as the need arises.

10. Safety

Layne would like to stress our commitment to providing the Village of Sugar Grove with a Company committed to making Health & Safety our number one priority during the course of this contract. Layne has a comprehensive,

industry leading, health and safety program which can be viewed at ***www.laynesafety.com***. It is composed of, but not limited to, the following:

Supervisor's Accident Prevention Manual

Safety Practices Manual

Hazard Communication Manual

Fleet Manual

Emergency Response Plans

Site Specific Health and Safety Plan

Auditing Forms and Procedures

Mentoring Program

All Layne employees have and continue to be trained by Layne Safety. Documentation of each employees training can be provided upon request. All technicians are trained Local 150 Operating Engineers.