

AMENDMENT NO. 3
to the
CITY OF GALLUP, NEW MEXICO
WASTEWATER TREATMENT FACILITY
CAPITAL IMPROVEMENTS, OPERATIONS, MAINTENANCE
AND MANAGEMENT AGREEMENT

THIS AMENDMENT NO. 3 to the City of Gallup, New Mexico Wastewater Treatment Facility Capital Improvements, Operations, Maintenance and Management Agreement dated the 22nd day of November, 2016 (hereinafter “Agreement”), is made on this ____ day of _____, 2018 by and between the City of Gallup, New Mexico (hereinafter “City”) and CH2M HILL Engineers, Inc. (hereinafter “Company”).

NOW THEREFORE, City and Company agree to amend the Agreement as follows:

1. Section 3.10.2, Pass Through Costs, is hereby deleted in its entirety and replaced with the following:

Pass Through Costs for any Billing Month shall be the sum of the costs and expenses (set forth in Schedule 12 hereto) exclusive of profit to the Company or any Company Affiliate, which were incurred by the Company during such Billing Month, provided that the Company provides documentation of such costs and expenses.

2. Section 10.1.2, Effective Date and Termination Rights, is hereby deleted in its entirety and replaced with the following:

This Agreement shall be effective on the Agreement date and shall continue in effect for eight (8) years and seven (7) months following the Commencement date (the “Contract Term”). And may be referred to as the “Term” of the “Contract Term” or if earlier terminated pursuant to the termination of provisions of Article IV or Article VIII hereof, in which event the Term shall be deemed to have ended as of the date of such termination.

3. Schedule 2, Article 2.2.8, Equipment and Chemicals 3rd paragraph is hereby deleted in its entirety and replaced with the following:

All Equipment, including Rolling Stock, and chemicals provided by the City or the Company on or after the Contract Date, including any Equipment or chemical ordered by the Company or the City for the Facility, shall be deemed to be owned by the City and shall remain a part of the Facility upon termination or expiration of the Agreement. Equipment leased or paid for by Company or equipment borrowed from other Company projects to support this project will remain with the Company upon termination or expiration of the Agreement. All such Equipment, including Rolling Stock, shall be in good operating condition, as adjusted for normal wear and tear. All property and equipment, including Rolling Stock and chemicals, designated for disposal or replacement shall be replaced or disposed of as defined in the Agreement.

4. Schedule 2, Article 2.2.11, Utilities, is hereby deleted in its entirety and replaced with the following:

As of the Commencement Date, the Company shall be responsible for supplying and paying for all utilities (with the exception of electricity), including but not limited to natural gas, heating, fuel, oil, telephone and water.

5. Schedule 10, Maximum Utility Utilization, is deleted in its entirety and replaced with the attached Schedule 10.
6. Schedule 12, Pass Through Costs, is hereby deleted in its entirety and replaced with the attached revised Schedule 12.
7. The “Summary of Estimated Pass Through Costs” table for Proposal A in Schedule 12, Appendix B are hereby amended with the following and the footnotes in the table are deleted in their entirety. Such amounts reflect the additional Pass Through Costs for the Facility operations, maintenance and management for the extension of the current Contract Term (December 1, 2018 through June 30, 2019):

SUMMARY OF ESTIMATED PASS THROUGH COSTS 2018/19 CONTRACT TERM	
ITEM	ANNUAL COST
1. Performance Bond Cost Amount per million <small>(Bond size will be equal to the annual Service Fee, including pass-through costs.)</small>	\$2,736
2. Insurance	\$5,911
3. Repair & Replacement (R&R) Capital Fund	\$40,833

8. Table S13-1 – Service Fees in Schedule 13, Appendix B is amended to add the Company’s Service Fee for the Facility operations, maintenance and management for the current Contract year extension from December 1, 2018 through June 30, 2019:

Additional Service Fee: \$863,126

This Amendment No. 3 together with the Agreement constitute the entire agreement between the parties and supersede all prior oral and written understandings with respect to the subject matter set forth herein. Unless specifically stated all other terms and conditions of the Agreement shall remain in full force and effect. Neither this Amendment No. 3 nor the Agreement may be modified except in writing signed by an authorized representative of the parties.

The parties, intending to be legally bound, indicate their approval of this Amendment No. 3 by their signatures below.

Authorized signature:

Authorized signature:

CH2M HILL ENGINEERS, INC.

CITY OF GALLUP, NEW MEXICO

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

SCHEDULE 10
MAXIMUM UTILITIES UTILIZATION

Table S10-1

Maximum Utilities Utilization

Electric power shall be paid for by the City up to Maximum Annual Usage established in the table below and as adjusted on an annual review basis. Usage over the caps shall be the financial responsibility of OMI provided flows are within design parameters and any extraordinary usage is not the result of a force majeure event. If usage is under the caps, the City will share 50% of the savings with OMI.

For the period of December 1, 2018 through June 30, 2019, the maximum usage will be prorated for the 7-month period for the interim operation prior to completion of DBA capital upgrades (7/12ths or 58% of the annual usage amounts below).

Item	Maximum Annual Usage (kWh/year)	Maximum Unit Usage (kWh/MDG)
Electricity (interim operation prior to completion of DBA capital upgrades)	3,304,201	4,134
Electricity (operation period following completion of DBA capital upgrades and acceptance testing)	3,039,865	3,803