



MARTINSVILLE CITY COUNCIL

MEETING AGENDA

Tuesday, June 24, 2025

Martinsville's Vision

Martinsville is a thriving, full-service city centrally located in southern Virginia, offering excellent education and superior quality of life in a picturesque setting while embracing inclusivity and opportunities to ensure a sustainable and fulfilling lifestyle to live, visit, and grow.

Martinsville's Mission

Martinsville City proudly promotes a safe, healthy, thriving community dedicated to delivering excellent services and meaningful public participation.

PRESIDING: LC Jones, Mayor

CITY COUNCIL MEMBERS: Kathy Lawson, Vice Mayor
Julian Mei
Rayshaun Gravely
Aaron Rawls

STAFF: Aretha R. Ferrell-Benavides, City Manager & City Clerk
Peyton Nibblett, Deputy City Clerk
Law Offices of Sands Anderson, City Attorney



AMENDED

Changes have been highlighted.

Closed Session -- 5:00pm, New College Institute -- Gardner Board Room

- a. 2.2-3711 A (1) Discussion, consideration, or interviews of prospective candidates for employment; assignment, appointment, promotion, performance, demotion, salaries, disciplining, or resignation of specific public officers, appointees, or employees of any public body; In regards to the City Manager, **City Attorney Designee** and City Attorney position.
- b. 2.2-3711 A(7) Consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the public body; In regards to current and ongoing litigation matters.
- c. 2.2-3711 A(8) Consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel. Nothing in this subdivision shall be construed to permit the closure of a meeting merely because an attorney representing the public body is in attendance or is consulted on a matter; In regards to personnel disclosures and pending or ongoing reviews of such disclosures.
- d. **2.2-3711 A (1) Discussion, consideration, or interviews of prospective candidates for employment; assignment, appointment, promotion, performance, demotion, salaries, disciplining, or resignation of specific public officers, appointees, or employees of any public body; In regards to Economic Development Authority Employment MOU.**

Work Session - 6pm, New College Institute -- Lecture Hall

1. Briefings and Presentations

- a. Police Department Update
- b. Presentation of Senior Capstone Project

2. Discuss Consent Agenda Items

- a. Discuss and Consider June 10, 2025 Meeting Minutes

Regular Session - 7pm, New College Institute -- Lecture Hall

3. Call to Order

4. Pledge to the American Flag

5. Invocation

6. Presentations and Proclamations

- a. Proclamation Honoring Independence Day



- b. Proclamation Honoring the Lady Bulldogs as Martinsville Middle School Soccer Champions 2025

7. Consent Agenda

- a. Discuss and Consider June 10, 2025 Meeting Minutes

8. Public Hearing

- a. Hear Names for School Board Nominations

9. Regular Agenda or New Business

- a. Discuss and Consider Nominations for School Board
- b. Discuss and Consider Resignation from Planning Commission
- c. Discuss and Consider Adopting on Second Reading FY25 Appropriations
- d. Water Resources Asset Management Plan Presentation
- e. Discuss and Consider Contracting with Moseley Inc. for the Martinsville Courts Facility Condition Assessment, Architectural and Engineering Design Services
- f. Discuss and Consider Finalization of 1 Ellsworth Lease Option
- g. Discuss and Consider Ordinance Authorizing Bonuses, Payable Out of State Funds For Qualifying Employees of Certain State-Supported Local Agencies

10. Take any action necessary as a result of the Executive Session.

11. City Hall Reporting & Announcements

- a. Munis Software "Tyler Connect 2025" Presentation
- b. Financial Update

12. Communications from Visitors / Business from the Floor

Description: The purpose of City Council Meetings is to conduct the City's Business. City Council allows for public comment, limited to matters on which the Council has the power and authority to act and are not listed on the printed agenda. Participation: Citizens who wish to participate in a meeting's public comment period may do so by signing up at the podium at the entrance prior to the beginning of the meeting, emailing their comments to Peyton Nibblett, Deputy City Clerk, at pnibblett@martinsvilleva.gov, calling in their comments to 276-403-5196, or mailing comments to the City of Martinsville, attn.: Peyton Nibblett, Martinsville, VA 24114 (a.) Comments, or a request to speak, must be received by noon the day before a Council meeting for consideration by the Council at the meeting. (b.) Any person submitting comments or requesting to speak must identify themselves by name and address, including zip code. (c.) Remarks are to be limited to 3 minutes or less (as read aloud), address a topic of City business, and refrain from making any personal references or accusations of a factually false and/or malicious nature. (d.) Priority for comments is given to City residents, taxpayers,



and business owners.(e.) Speakers may not yield time. f. Groups of speakers on the same topic must designate a single representative. Comments violating these rules may not be presented at the Council meeting. (g.) Any speaker violating these rules may be removed from the podium or from the Council Chamber. (h.) This policy does not apply to public hearings, at which any citizen of Martinsville may appear and speak on the subject of the public hearing.

13. Comments by Members of City Council

14. Comments from City Manager

15. Adjournment



Minutes -- CITY COUNCIL CITY OF MARTINSVILLE, VIRGINIA

June 10, 2025 Meeting Minutes

Work Session – 5:30pm, New College Institution – Lecture Hall

- a. Discuss and Consider Refuse Ordinance
 - i. Ordinance would need to go back to the drawing board for further consideration. Planning Commission submitted findings as well. Two days a week trash pick up being suggested as an administrative change – Public works to work on drafting a tentative schedule for the two-day a week and communicating to the effective businesses. To take effect next week.
 - ii. Changes to the Ordinance to follow.
- b. Compensation Study Presentation by the Berkley Group
 - i. Presentation of the ongoing Compensation Study given by the Berkley Group. Goals for the study were to: Assess competitive of the City pay structure/ranges and individual pay; Ensure a competitive, market-based structure; Consider recruitment challenges, especially in Public Works. On average, the City pay structure lags market averages and employee pay lags market averages. City struggles to retain skilled and certified workers against strong competitors, and attract talent. Pay Data has been collected from several surrounding cities through surveying, interviewing, and in-depth research.

Regular Session - 7pm, New College Institute – Lecture Hall

2. Call to Order
3. Pledge to the American Flag
4. Invocation
5. Presentations and Proclamations
 - a. Proclamation Honoring June as National Safety Month
 - b. Proclamation Honoring Juneteenth
 - c. Proclamation Honoring Flag Day
 - d. Proclamation Honoring the Lady Bulldogs as Martinsville Middle School Soccer Champions 2025
 - i. Tabled until June 24, 2025 City Council Meeting

6. Consent Agenda



Minutes -- CITY COUNCIL CITY OF MARTINSVILLE, VIRGINIA

a. Discuss and Consider the Following Meeting Minutes:
May 8, 2025; May 12, 2025; May 13, 2025; May 20, 2025

- i. Motion to Adopt Consent Agenda upon edits presented by Deputy City Clerk made by Kathy Lawson and Seconded by Julian Mei.
Approved by 5:0 vote: Mayor Jones, aye; Kathy Lawson, aye; Julian Mei, aye; Rayshaun Gravely, aye; and Aaron Rawls, aye.

7. Regular Agenda or New Business

- a. Discuss and Consider Setting a Public Hearing for Council's June 24 Meeting Date for the Purpose of Receiving Names of Citizens Interested in Appointment to the School Board
 - i. Motion to Set Public Hearing Date made by Kathy Lawson and Seconded by Julian Mei. **Approved by 5:0 vote: Mayor Jones, aye; Kathy Lawson, aye; Julian Mei, aye; Rayshaun Gravely, aye; and Aaron Rawls, aye.**
- b. Discuss and Consider Reappointment to Blue Ridge Library Governing Board
 - i. Motion to Reappoint Yleulhaldi Rose for a term ending in 12/31/29 made by Julian Mei and Seconded by Kathy Lawson. **Approved by 5:0 vote: Mayor Jones, aye; Kathy Lawson, aye; Julian Mei, aye; Rayshaun Gravely, aye; and Aaron Rawls, aye.**
- c. Discuss and Consider Application to Planning Commission
 - i. Motion to appoint William Pearson for a term ending in 12/31/2029 made by Kathy Lawson and Seconded by Julian Mei. **Approved by 5:0 vote: Mayor Jones, aye; Kathy Lawson, aye; Julian Mei, aye; Rayshaun Gravely, aye; and Aaron Rawls, aye.**
- d. Discuss and Consider Applications to Board of Appeals
 - i. Motion to appoint Tonya Scales, Derek Broga, and Conrad Knight made by Kathy Lawson and Seconded by Julian Mei for the term of 12/31/2030. **Approved by 5:0 vote: Mayor Jones, aye; Kathy Lawson, aye; Julian Mei, aye; Rayshaun Gravely, aye; and Aaron Rawls, aye.**
- e. Discuss and Consider an Extension of the Original Option, Authorizing for Negotiation on the Acquisition of the Existing YMCA property, for up to 90 days.
 - i. Motion to approve made by Julian Mei and Seconded by Aaron Rawls. **Approved by 5:0 vote: Mayor Jones, aye; Kathy Lawson, aye; Julian Mei, aye; Rayshaun Gravely, aye; and Aaron Rawls, aye.**

8. Public Hearing

- a. FY25 Appropriations



Minutes -- CITY COUNCIL CITY OF MARTINSVILLE, VIRGINIA

- i. Motion to Open the Floor made by Kathy and Seconded by Julian Mei. **Approved by 5:0 vote: Mayor Jones, aye; Kathy Lawson, aye; Julian Mei, aye; Rayshaun Gravely, aye; and Aaron Rawls, aye.**
 - ii. Motion to Close the Public Hearing Floor made by Kathy Lason and Seconded by Julian Mei. **Approved by 5:0 vote: Mayor Jones, aye; Kathy Lawson, aye; Julian Mei, aye; Rayshaun Gravely, aye; and Aaron Rawls, aye.**
 - iii. Motion to Approve on First Reading with one Amendment to substitute the reading date with today's meeting date made by Kathy Lason and Seconded by Julian Mei. **Approved by 4:1 vote: Mayor Jones, aye; Kathy Lawson, aye; Julian Mei, aye; Rayshaun Gravely, aye; and Aaron Rawls, no.**
- 9. City Hall Reporting and Announcements
 - a. Munis Software "Tyler Connect 2025" Presentation
 - i. Tabled until June 24, 2025 City Council Meeting
- 10. Business from the Floor
 - a. Carol Hooker
 - b. Leroy Hairston
- 11. Comments from Members of City Council
- 12. Comments by City Manager
- 13. Adjournment
 - a. Mayor Jones made the motion to adjourn att 7:40 PM



STAFF REPORT

TO: City Council

FROM: Peyton Nibblett, Deputy City Clerk

SUBJECT: Hear Names for School Board Nominations

STAFF/ DEPARTMENT RESPONSIBLE: City Management

MEETING DATE: June 24, 2025

BACKGROUND/HISTORY:

NOTICE OF PUBLIC HEARING

The Martinsville City Council will hold a public hearing at its regular meeting on Tuesday, June 24, 2025, for the purpose of receiving the names of citizens interested in being considered for appointment to the Martinsville City School Board.

The upcoming appointment is for one (1) seat on the School Board, with a term of three (3) years, beginning July 1, 2025, and ending June 30, 2028.

This item is scheduled to be placed on the June 10, 2025, City Council agenda to set the public hearing date.

Citizens who are interested in being considered for this appointment are encouraged to attend the public hearing or submit their names in writing to the Office of the City Clerk prior to the hearing date.

POLICY EXPLANATION:

Pursuant to § 22.1-29.1 of the Code of Virginia: Each school board shall be appointed by the governing body of the county, city or town -- unless a different method of selection is provided by general law or special act.

FISCAL IMPACT/FUNDING SOURCE:

Not Applicable.

Available Budget: Not Applicable.

Purchase Amount: Not Applicable.

ACTION REQUESTED/ALTERNATIVES

1. City Council Appoint Citizen to School Board
2. City Council Do Not Appoint Citizen to School Board
3. Other Action as Desired by Council

ATTACHMENTS:

None



STAFF REPORT

TO: City Council

FROM: Peyton Nibblett, Deputy City Clerk

SUBJECT: Discuss and Consider Nominations for School Board

STAFF/ DEPARTMENT RESPONSIBLE: City Management

MEETING DATE: June 24, 2025

BACKGROUND/HISTORY:

Discuss and Consider any Nominations as a result of the Public Hearing.

POLICY EXPLANATION:

Pursuant to § 22.1-29.1 of the Code of Virginia: Each school board shall be appointed by the governing body of the county, city or town -- unless a different method of selection is provided by general law or special act.

FISCAL IMPACT/FUNDING SOURCE:

Not Applicable.

Available Budget: Not Applicable.

Purchase Amount: Not Applicable.

ACTION REQUESTED/ALTERNATIVES

ATTACHMENTS:

None



STAFF REPORT

TO: City Council

FROM: Peyton Nibblett, Deputy City Clerk

SUBJECT: Discuss and Consider Resignation from Planning Commission

STAFF/ DEPARTMENT RESPONSIBLE: City Management

MEETING DATE: June 24, 2025

BACKGROUND/HISTORY:

Damian Wainwright has officially submitted his resignation from the City's Planning Commission.

POLICY EXPLANATION:

Not Applicable.

FISCAL IMPACT/FUNDING SOURCE:

Not Applicable.

Available Budget: Not Applicable.

Purchase Amount: Not Applicable.

ACTION REQUESTED/ALTERNATIVES

1. City Council Approve Resignation
2. City Council Do Not Approve Resignation
3. Other Action as Deemed Necessary by City Council

ATTACHMENTS:

None



STAFF REPORT

TO: City Council

FROM: Robert Floyd, Budget Administrator

SUBJECT: Discuss and Consider Adopting on Second Reading FY25 Appropriations

STAFF/ DEPARTMENT RESPONSIBLE: Budget

MEETING DATE: June 24, 2025

BACKGROUND/HISTORY:

Staff requests the appropriation of carry-forward funding from prior fiscal years. These funds were previously approved and appropriated by Council, but the unspent balances must be re-appropriated in the current fiscal year in order to maintain the integrity of the City's general ledger. This action ensures accurate financial reporting and alignment with prior Council-authorized expenditures. Appropriating carry-forward balances in this manner is a standard financial practice and has been done in previous years to support the continuity of approved projects and obligations.

POLICY EXPLANATION:

§ 15.2-2507. Amendment of budget.

A. Any locality may amend its budget to adjust the aggregate amount to be appropriated during the current fiscal year as shown in the currently adopted budget as prescribed by § 15.2-2504. However, any such amendment which exceeds one percent of the total expenditures shown in the currently adopted budget must be accomplished by publishing a notice of a meeting and a public hearing once in a newspaper having general circulation in that locality at least seven days prior to the meeting date. The notice shall state the governing body's intent to amend the budget and include a brief synopsis of the proposed budget amendment. Any local governing body may adopt such amendment at the advertised meeting, after first providing a public hearing during such meeting on the proposed budget amendments

FISCAL IMPACT/FUNDING SOURCE:

1. The City's General Fund-01 revenue budget is increased in the amount of \$85,600.
2. The City's General fund-01 expenditure budget is increased in the amount of \$330,959.
3. The City's General Fund Capital Project fund-16 expenditure budget is increased in the amount of \$93,830.

4. The School's Capital Project fund-753 revenue budget is increased in the amount of \$35,200.
5. The City's MHRA fund-210 revenue budget is increased in the amount of \$283,755.
6. The City's Fleet Fund-410 revenue budget is increased in the amount of \$1,524,000.
7. The City's Fleet Fund-410 expenditure budget is increased in the amount of \$1,524,000.
8. The City's Water/Wastewater capital fund revenue budget is increased in the amount of \$8,525,175.
9. The City's Water/Wastewater capital fund expenditure budget is increased in the amount of \$8,525,175.
10. The EDA fund-07 expenditure budget is increased in the amount of \$500,000.
11. The City's School Operating revenue budget is increased in the amount of \$2,701,691.
12. The City's School Operating expenditure budget is increased in the amount of \$2,701,691.
13. Funds are hereby appropriated in accordance with the above-described budget amendments.
14. This Ordinance shall take effect immediately.

Available Budget: Not Applicable.

Purchase Amount: Not Applicable.

ACTION REQUESTED/ALTERNATIVES

- 1) Approval of Allocations by City Council
- 2) Do Not Approve Appropriation by City Council
- 3) Other Action as Approved by City Council

ATTACHMENTS:

1.	Ordinance to Amend Current FY25-2025-final
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**AN ORDINANCE AMENDING THE CITY OF MARTINSVILLE, VIRGINIA FISCAL
YEAR 2024-2025 BUDGET**

WHEREAS, on May 26, 2024 the City Council (the “Council”) of the City of Martinsville, Virginia (the “City”) adopted the City’s fiscal year 2024-2025 budget ordinance; and,

WHEREAS, the Council desires to amend the City’s fiscal year 2024-2025 budget to take into account funds received from federal and state sources designated for use by the Martinsville City Public Schools and funds for use by the City.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE
CITY OF MARTINSVILLE, VIRGINIA:**

The City’s 2024-2025 budget ordinance is amended as follows:

1. The City’s General Fund-01 revenue budget is increased in the amount of \$85,600.
2. The City’s General fund-01 expenditure budget is increased in the amount of \$330,959.
3. The City’s General Fund Capital Project fund-16 expenditure budget is increased in the amount of \$93,830.
4. The School’s Capital Project fund-753 revenue budget is increased in the amount of \$35,200.
5. The City’s MHRA fund-210 revenue budget is increased in the amount of \$283,755.
6. The City’s Fleet Fund-410 revenue budget is increased in the amount of \$1,524,000.
7. The City’s Fleet Fund-410 expenditure budget is increased in the amount of \$1,524,000.
8. The City’s Water/Wastewater capital fund revenue budget is increased in the amount of \$8,525,175.
9. The City’s Water/Wastewater capital fund expenditure budget is increased in the amount of \$8,525,175.
10. The EDA fund-07 expenditure budget is increased in the amount of \$500,000.
11. The City’s School Operating revenue budget is increased in the amount of \$2,701,691.
12. The City’s School Operating expenditure budget is increased in the amount of \$2,701,691.
13. Funds are hereby appropriated in accordance with the above-described budget amendments.
14. This Ordinance shall take effect immediately.

The members of Council voted as follows on the foregoing Ordinance:

Ayes

Nays

Absent

Abstentions

Adopted this ___ day of May, 2025 (first reading).

Attest:

Deputy Clerk of Council, City of Martinsville



STAFF REPORT

TO: City Council

FROM: Mandy Muse, Water Resources Director

SUBJECT: Water Resources Asset Management Plan Presentation

STAFF/ DEPARTMENT RESPONSIBLE: Water Resources

MEETING DATE: June 24, 2025

BACKGROUND/HISTORY:

Presented by Dewberry Engineers.

The City of Martinsville's water and wastewater infrastructure is aging. These assets are now 45-105 years old. The typical service life for most water and sewer assets is 30-110 years. Dewberry Engineers assessed the current condition of the Martinsville water system's assets and developed an Asset Management Plan aimed at optimizing the system's entire lifecycle while ensuring efficient, cost-effective, and sustainable management of physical assets, including infrastructure, equipment, and facilities. This Asset Management Plan outlines how the utility can plan to maintain, upgrade, and replace assets to provide reliable service, mitigate risks, optimize performance, extend asset life, and meet Level of Service goals.

POLICY EXPLANATION:

Infrastructure has been identified as a core strategic priority in the City of Martinsville's Strategic Goals.

FISCAL IMPACT/FUNDING SOURCE:

Dewberry has recommended applying for grants and/or low-interest rate loans. The Virginia Clean Water Revolving Loan Fund (VCWRLF) FY26 solicitation of applications began on June 9, 2025, and will be accepted until July 25, 2025

Available Budget: TBD.

Purchase Amount: A Professional Engineering Report (PER) was completed for the Wastewater Treatment Plant and identified necessary improvements estimated to total \$15.2 million.

ACTION REQUESTED/ALTERNATIVES

None at this time.

ATTACHMENTS:

1.	City of Martinsville AMP 6.24.2025_Mandy Muse
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Asset Management Plan

Water & Wastewater Systems

City of Martinsville | June 24, 2025

Background

- Aging Infrastructure: Assets now 45-105 years in age (Furniture 1920-1970, Dupont 1941, Textiles 1950-1980)
- Typical Service Life for most W&S Assets: 30-110 years
- Value of Existing Assets: \$280 Million Water, \$325 Million Wastewater
- Last 10 years focus on Collection System: Major Wastewater Interceptor Rehabilitation; Small areas of ACM waterline replaced; Replacement of failing equipment at treatment facilities.
- Renewal becoming increasingly reactive rather than pro-active.
- Engineering study of Wastewater Treatment Plant Completed 2024
- Request for Preparation of an Asset Management Plan

What is an Asset Management Plan (AMP)?

“ a strategic document with the purpose to ensure the efficient, cost-effective, and sustainable management of physical assets including infrastructure, equipment, and facilities. AMPs outline how a utility plans to maintain, upgrade, and replace assets to provide reliable service, mitigate risks, optimize performance, extend asset life, and meet Level of Service (LoS) goals”

Level of Service (LoS) Goals

TABLE 1		
UTILITY TYPE	WATER	WASTEWATER
Level of Service Attributes	Water Quality	Effluent Quality
	System Reliability	System Reliability
	Pressure and Flow	Collection System Performance
	Response Times	Response Times
	Customer Satisfaction	Customer Satisfaction
	Regulatory Compliance	Regulatory Compliance
	Efficiency	Efficiency

AMP – Key Elements

TABLE 2		
LI	KEY AMP ELEMENTS	PURPOSE
1	Inventory of Assets (lists and mapping)	Know what assets are in your system.
2	Condition and Performance Assessment	Understand Likelihood of Failure (LoF) each asset.
3	Determine Criticality of Service	Understand Consequence of Failure (CoF).
4	Determine Degree of Risk	Prioritize renewal needs (upgrade, rehab, replace).
5	Develop Key Operations and Maintenance Practices	Properly operate and maintain assets to meet service goals and extend life of assets.
6	10 Year Renewal Plan	To schedule and financially plan for renewal of high risk assets.
7	10 Year Budget Forecast	To comprehensively budget for both O&M and Renewal over 10 years.

Risk

Goal; to quantify degree of Risk for purpose of prioritizing renewal and O&M

Risk = Likelihood of Failure (LoF) x Consequence of Failure (CoF)

TABLE 3.3-1 RISK VALUE RANKING						
RISK VALUES		CONSEQUENCE OF FAILURE (COF)				
		NEGLIGIBLE	MINOR	MODERATE	MAJOR	CATASTROPHIC
		1	2	3	4	5
Likelihood of Failure (LoF)	Almost	5	10	15	20	25
	Certain					
	5					
	Likely	4	8	12	16	20
	4					
	Possible	3	6	9	12	15
	3					
	Unlikely	2	4	6	8	10
	2					
	Rare	1	2	3	4	5
	1					

Likelihood of Failure (LoF) x Consequence of Failure (CoF) = Risk Score

Findings

- Inventory & Risk
- O&M Practices
- Renewal Needs & 10 Year Forecast
- Budget Forecast
- Rates
- Conclusions
- Recommendations

Inventory & Risk

TABLE 3 – CATEGORY OF MAJOR VERTICAL ASSETS AND GENERAL CONDITION			
MAJOR ASSET CATEGORY	NOTABLE ASSETS	LAST MAJOR UPGRADE	GENERAL CONDITION & PERFORMANCE
WATER			
Raw Water Supply	- Beaver Creek Reservoir & Intake (1.3 Billion gallons) - Raw Water Pump Station (10 MGD)	- Reservoir & Tower 1952 - Spillway 2021 - Raw Water PS – 1980	Excellent to Fair
Water Treatment Plant	10.0 MGD Design 7.4 MGD Permit Capacity	- Operations Building – 1948 - Expansion 1980	Fair
Water Distribution System	7 Water Tanks (5.6 MGD total storage) 136 miles pipe; 6"-24"	- Majority 1920-1980 - Less than 10% rehabilitated or replaced	Good to Fair
WASTEWATER			
Wastewater Treatment Plant	8 MGD Design Capacity	- Original 1965 - Expansion 1980	Fair to Poor
Wastewater Collection System	15 Sub-basins 145 Miles Collection Pipe	- Majority installed 1920-1980. - Smith River Interceptor, Jones Creek Interceptor – 2018-2024	Excellent to Poor

Inventory & Risk (Appendix 3.5-1)

WASTEWATER TREATMENT PLANT													
Asset ID	Facility	Name	Location	Size	Install Date	LoF	CoF	Risk Score	Useful Life	Renewal Year	General Info	Renewal Description	Renewal Est
WWTP_LND_0001	WWTP	Property	801 Wind Dancer Lane	11 Acres	1965	1	5	5	250	2215			
WWTP_LND_0002	WWTP	Wind Dancer Lane	The road runs between Clover road and WWTP	1.02 miles long avg thirty	1968	4	4	16	20	2026	Access to Plant from Clover Road	Repave (Ref. 8/2/2023 proposal; mill & overlay 1.5", 9,058 SQ YDS	\$ 130,000
WWTP_BLDG_0001	WWTP	Main Building	36.645531; -79.835992		1965	1	4	4	100	2065	Lab and offices		
WWTP_BLDG_0002	WWTP	Electric Control Building	WWTP adjacent to Primary Pump Station	1600 square feet	1964	2	4	8	75	2039	Houses electrical switches and inverters that control plant equipment.		
WWTP_BLDG_0003	WWTP	Maintenance Shop	Adjacent old aeration basin.	3000 square feet	1965	2	2	4	75	2040	Provide Backup Power to Plant		
WWTP_BLDG_0004	WWTP	Generator	Adjacent to the electrical building	810 KW	2018	1	5	5	40	2058	Heat source for the main building		
WWTP_BLDG_0005	WWTP	Boiler(Heat source for main bldg)	Boiler room /Main Bldg		2008	2	3	6	40	2048	Switch between Cit power and generator		
WWTP_BLDG_0006	WWTP	Automatic Transfer Switch Main Feed	Adjacent to electric bldg		2018	1	5	5	20	2038	to step down the voltage to usable level		
WWTP_BLDG_0007	WWTP	Transformer	adjacent to electric bldg		2018	1	3	3	30	2048	Electricity for Maintenance and some Aerators		
WWTP_BLDG_0008	WWTP	Transformer Platform Bank at Maintenance Bldg	Near Maintenance Bldg	250 KV	1986	3	3	9	50	2036	Provides power to Sludge Bldg		
WWTP_BLDG_0009	WWTP	Transformer Overhead Bank for Sludge Bldg	In Front of Sludge Bldg	100 KV	1986	3	3	9	50	2036	This equipment takes a flow based sample of the incoming Wastewater for testing.		
WWTP_DE_0001	WWTP	Influent Sampler Automatic	Splitter box adjacnet S.H.B.	Full size sampler	2013	1	3	3	20	Note #1	This equipment takes a flow based sample of raw influent wastewater for testing.		
WWTP_DE_0002	WWTP	Effluent Sampler Automatic	Adjacent Post Aeration Basin	Full size sampler	2003	2	3	6	20	Note #1	This equipment takes a flow based sample of the out-going wastewater for testing.		
WWTP_DE_0003	WWTP	WasteWater Plant SCADA	Located in Lab in Main building		2015	1	4	4	20	2025	Monitoring, data stg and limited remote control capability. City is in process of replacing 2025 (\$500k ARPA and reserve funds)	City in process of replacing Elpro Radio and Sixnet local controllers 4 PCs with Microcom SCADA system for entire water and wastewater systems (\$500,000 - ARPA & cap reserve) . Ref. 11/6/2024 Micocomm proposal to Mandy Muse. Full SCADA cost shown as 2025 Water Plant renewal.	\$ -
WWTP_DE_0004	WWTP	Lab Equipment	In Lab located in Main bldg		2000	2	4	8	75	2075	Testing for operational control and permit compliance		
WWTP_PRE_0001	WWTP	Step Screen	Influent Channel	4 foot	2012	4	4	16	25	2027	The step screen removes any solid matter from the Waste stream larger than 8mm. Solids are bypass screen and building up within conveyor/compactor unit	Add automation/timer to solids conveyance and improve channel seals	\$ 35,000
WWTP_PRI_0011	WWTP	Primary Clarifier #1	Head of WWTP	70 Ft Dia.	1965	2	3	6	60	2029	The primary clarifiers receive the incoming flow and help remove some of the larger particulates(Grit) with Gravity settling. Rebuilt 2000	Replace clarifier rake and drive	\$ 750,000
WWTP_PRI_0012	WWTP	Primary Clarifier #2	Head of WWTP	70 Ft Dia.	1965	2	3	6	60	2030	The primary clarifiers receive the incoming flow and help remove some of the larger particulates(Grit) with Gravity settling. Rebuilt 2000	Replace clarifier rake and drive	\$ 750,000

O&M Practices

TABLE 4.1-1 O&M ACTIVITIES FOR LINEAR ASSETS

ASSET TYPE	OPERATIONAL ACTIVITIES	
	CURRENT	ADDITIONAL POTENTIAL ACTIVITIES
Mains	Inspection and flushing	GIS mapping is now available for georeferencing and buildout of features for documenting maintenance activities – i.e., confirm line size, material, condition, and any breaks or leaks encountered.
Hydrants	Hydrants are inspected and operated once per year, and repairs are made as needed to ensure that all hydrants are in fair condition or better.	Increase hydrant flushing to at least twice annually in areas where water complaints are occurring or in areas where highly colored water is apparent during annual flushes.
Valves	Valves are exercised periodically but not in a systematic manner	Complete GIS valve location and develop systematic plan for exercising all valves at least once every 3-5 years, and all critical large valves (> 12") and valves in areas of high risk every 2-3 years.
Valve Chambers	Valve chambers are repaired as needed to ensure that they are in working condition.	
Meters	None – City has within the past 10 years replaced nearly all meters and switched over to a fully automated AMI system.	It is important to periodically have large meters calibrated. Calibrate finished water meter at WTP once every 2 years and large customer meters at least once every 5 years.
Backflow Devices	All backflow devices are installed and operated in accordance with the City backflow prevention program.	

TABLE 4.1-2 O&M ACTIVITIES FOR VERTICAL ASSETS

FACILITY SYSTEM	EXAMPLES OF COMPONENTS INCLUDED	OPERATIONAL ACTIVITIES	
		CURRENT	ADDITIONAL POTENTIAL ACTIVITIES
Site Works	Grading, retaining walls, service connections, walkways, parking lot and driveways, drainage, landscaping, fencing and gates.	- Grass cutting - Snow clearing - Litter pick-up - Inspection and repair of site assets	None
Building Structural	Foundation, roofing, exterior walls, support columns, beams, floors, staircases	Repairs are generally reactive	Conduct annual Building Condition Assessments and include in AMP renewal summary.
Building Architectural	Non-structural building components, including windows, doors, partition walls, fixtures, floor coverings	Repairs are generally reactive	Regularly scheduled Building Condition Assessments are needed. Current needs include: - Lighting Replacement (LED) - Window Replacement - Door Replacement
Building Mechanical & Electrical	HVAC, plumbing, electrical distribution, lighting, communications, security, sprinklers, standpipes, elevators	- HVAC Inspections (bi-annual at select locations) - Otherwise, repairs are generally reactive	
Process Structural	Water storage tanks	- Cleaning on 1-3 year cycle - Coating inspections at towers during cleaning operations - Exterior paint inspections on towers during exterior washings (1-3 years depending on the station) - Repaint every 15-20 yrs	- Condition assessment of valve vaults - Condition assessments at reservoirs.
Process Electrical	Generators and electrical systems	- Measure station voltage annually. - Load test diesel generator every 2 years. - Generator maintenance every 6 months - Check batteries monthly. - Reactive repairs as required.	- Replacement manual transfer switch at ATS. - Complete installation and startup of new W&WW SCADA system
Process Mechanical	Pumps, motors, valves	- Grease and change oil in motors annually. - Remove, service and re-install pumps and motors every 10+/- years. - Check, clean and exercise valves annually. - Routine PM inspections, and repair as needed.	

Renewal Needs & 10-Year Forecast

10 YR WATER AND WASTEWATER RENEWAL PLAN 2025 -2035															
SUMMARY OF RENEWAL NEEDS (FROM ASSET INVENTORY WORKSHEETS)						RENEWAL FORECAST (FY -beginning)									
Location	Year	Asset Name	Renewal Description	Risk Score	Estimate	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
WATER (RESERVOIR, TANK SITES, WATER TREATMENT PLANT)															
Beaver Crk Dam	2029	Intake Structure/Tower	GV replacement	16	\$ 400,000	-	-	-	400,000	-	-	-	-	-	-
Beaver Crk Reservoir					\$ -	-	-	-	-	-	-	-	-	-	-
Bethel Lane Tank Site	2028	BL Pump #1 - Crane and Demming	Replace	9	\$ 50,000	-	-	50,000	-	-	-	-	-	-	-
	2028	#2 Pump Crane and Demming	Replace	9	\$ 35,000	-	-	35,000	-	-	-	-	-	-	-
	2030	Bethel Lane Concrete Tank (steel top)	Paint	6	\$ 150,000	-	-	-	-	150,000	-	-	-	-	-
	2035	Bethel Lane Steel	Paint	2	\$ 325,000	-	-	-	-	-	-	-	-	-	325,000
Grandview Tank Site	2030	Grandview Steel Tank	Paint	8	\$ 250,000	-	-	-	-	250,000	-	-	-	-	-
Industrial Park Tank	2032	IP Elevated Steel Tank	Paint	8	\$ 525,000	-	-	-	-	-	-	525,000	-	-	-
New York Tank	2025	Attitude Valve	Replace /Reconditon	20	\$ 40,000	-	-	-	-	-	-	-	-	-	-
Tank Street Site	2031	Tank Street Tank #2	Paint	2	\$ 300,000	-	-	-	-	-	300,000	-	-	-	-
Reservoir Pump Station	2031	#2 Raw Water Pump Ingersoll Rand	Replace	6	\$ 60,000	-	-	-	-	-	60,000	-	-	-	-
Water Treatment Plant	2026	#1 Alum Fiber Glass Tank	Reline ⁽¹⁾	12	\$ 82,000	82,000	-	-	-	-	-	-	-	-	-
	2026	#2 Alum Fiber Glass Tank	Reline ⁽¹⁾	12	\$ 82,000	82,000	-	-	-	-	-	-	-	-	-
	2026	Elevator	Replace cables	12	\$ 40,000	40,000	-	-	-	-	-	-	-	-	-
	2026	Caustic Tank Fiber Glass	Reline	20	\$ 82,000	82,000	-	-	-	-	-	-	-	-	-
	2027	Main Building	Windows and brick repair	20	\$ 225,000	-	225,000	-	-	-	-	-	-	-	-
	2027	Switch Gear Cabinet	Relocate & new ATS	16	\$ 160,000	-	160,000	-	-	-	-	-	-	-	-
	2027	Settling Basins Concrete Structure	Refurbish Floc and Sed Basins	12	\$ 588,000	-	588,000	-	-	-	-	-	-	-	-
	2027	#1 Sludge Lagoon	New Drying Pad	15	\$ 590,000	-	590,000	-	-	-	-	-	-	-	-
	2028	Water Plant Main Property	Repave access drive	12	\$ 65,000	-	-	65,000	-	-	-	-	-	-	-
	2030	Gorman Rupp Portable pump	Replace	6	\$ 25,000	-	-	-	-	25,000	-	-	-	-	-
	2031	Flash Mixer	Replace	8	\$ 25,000	-	-	-	-	-	25,000	-	-	-	-
					\$ 4,099,000	-	-	-	-	-	-	-	-	-	-
Proposed Backlog Renewal 2027 Project					\$ 1,563,000	\$ 1,563,000									
Subtotal General Annual Renewal Capital Needs					\$ 401,000	\$ 286,000		\$ 150,000	\$ 400,000	\$ 425,000	\$ 385,000	\$ 525,000	\$ -	\$ -	\$ 325,000
10 YEAR WATER RENEWAL TOTAL (Excluding Waterline Renewal & Genl Capital Outlay)					\$ 1,964,000										

Renewal Needs & 10-Year Forecast

10 YR WATER AND WASTEWATER RENEWAL PLAN 2025 -2035															
SUMMARY OF RENEWAL NEEDS (FROM ASSET INVENTORY WORKSHEETS)						RENEWAL FORECAST (FY -beginning)									
Location	Year	Asset Name	Renewal Description	Risk Score	Estimate	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
WASTEWATER (WWTP)															
801 Wind Dancer Lane	2026	Access rd	Repave	16	\$ 130,000	130,000	-	-	-	-	-	-	-	-	-
			Add automation/timer to solids conveyance and improve channel seals												
Influent Channel	2027	Step Screen		16	\$ 35,000	-	35,000	-	-	-	-	-	-	-	-
Head of WWTP	2029	Primary Clarifier #1	Replace clarifier rake and drive	6	\$ 750,000	-	-	-	750,000	-	-	-	-	-	-
Head of WWTP	2030	Primary Clarifier #2	Replace clarifier rake and drive	6	\$ 750,000	-	-	-	-	750,000	-	-	-	-	-
Adjacent to the electrical building	2027	Primary Pump Station	Interior building repairs, grating, lighting, heat, paint.	10	\$ 150,000	-	150,000	-	-	-	-	-	-	-	-
Primary Pump Station	2027	Primary Pump #1	Replace pump seals	12	\$ 17,000	-	17,000	-	-	-	-	-	-	-	-
Primary Pump Station	2027	Primary Pump #2	Replace pump seals	12	\$ 17,000	-	17,000	-	-	-	-	-	-	-	-
Aeration Basin	2027	Low Speed Mixer # 1	Replace & misc anchorage + electrical	12	\$ 110,000	-	110,000	-	-	-	-	-	-	-	-
Aeration Basin	2027	Low Speed Mixer # 2	Replace & misc anchorage + electrical	12	\$ 110,000	-	110,000	-	-	-	-	-	-	-	-
Aeration Basin	2027	Low Speed Mixer # 3	Replace & misc anchorage + electrical	12	\$ 110,000	-	110,000	-	-	-	-	-	-	-	-
Aeration Basin	2027	Low Speed Mixer # 4	Replace & misc anchorage + electrical	12	\$ 110,000	-	110,000	-	-	-	-	-	-	-	-
Aeration Basin	2030	Aerator # 11	Replace either motor , float, or propeller assembly over next 10 years	9	\$ 35,000	-	-	-	-	35,000	-	-	-	-	-
Aeration Basin	2031	Aerator # 12	Replace either motor , float, or propeller assembly over next 10 years	9	\$ 35,000	-	-	-	-	-	35,000	-	-	-	-
Aeration Basin	2030	Aerator # 13	Replace either motor , float, or propeller assembly over next 10 years	9	\$ 35,000	-	-	-	-	35,000	-	-	-	-	-
Aeration Basin	2032	Aerator # 14	Replace either motor , float, or propeller assembly over next 10 years	9	\$ 35,000	-	-	-	-	-	-	35,000	-	-	-
Aeration Basin	2035	Aerator # 15	Replace either motor , float, or propeller assembly over next 10 years	9	\$ 40,000	-	-	-	-	-	-	-	-	-	40,000

Renewal Needs & 10-Year Forecast

10 YR WATER AND WASTEWATER RENEWAL PLAN 2025 -2035															
SUMMARY OF RENEWAL NEEDS (FROM ASSET INVENTORY WORKSHEETS)						RENEWAL FORECAST (FY -beginning)									
Location	Year	Asset Name	Renewal Description	Risk Score	Estimate	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Aeration Basin	2033	Aerator # 16	Replace either motor , float, or propeller assembly over next 10 years	9	\$ 40,000	-	-	-	-	-	-	-	40,000	-	-
Aeration Basin	2035	Aerator # 17	Replace either motor , float, or propeller assembly over next 10 years	9	\$ 40,000	-	-	-	-	-	-	-	-	-	40,000
Aeration Basin	2034	Aerator # 18	Replace either motor , float, or propeller assembly over next 10 years	9	\$ 40,000	-	-	-	-	-	-	-	-	40,000	-
Secondary Pump Station	2027	RAS Pump # 2	Replace RAS pump, valves, misc piping & elect.	12	\$ 90,000	-	90,000	-	-	-	-	-	-	-	-
Secondary Pump Station	2027	RAS Pump # 3	Replace RAS pump, valves, misc piping & elect.	12	\$ 90,000	-	90,000	-	-	-	-	-	-	-	-
Secondary Pump Station	2027	WAS Pump #1	Replace WAS pump, valves, misc piping & elect.	12	\$ 70,000	-	70,000	-	-	-	-	-	-	-	-
Secondary Pump Station	2027	WAS Pump # 2	Replace WAS pump, valves, misc piping & elect.	12	\$ 70,000	-	70,000	-	-	-	-	-	-	-	-
Pump room of Main building	2030	Thickener Pump #2	Replace	12	\$ 35,000	-	-	-	-	35,000	-	-	-	-	-
Pump room of Main building	2030	Thickener Pump #3	Replace	12	\$ 35,000	-	-	-	-	35,000	-	-	-	-	-
Adjacent Blower Building	2027	Sludge Digester 1& 2	Clean out two digester, upgrade blowers, piping, diffusers, mixing to achieve Class B stabilized sludge for volume	16	\$ 2,300,000	-	2,300,000	-	-	-	-	-	-	-	-
Behind Digester 1& 2	2027	Sludge Digester 3 & 4		16		-	-	-	-	-	-	-	-	-	-
Digester #1	2027	Sludge Mixer		12		-	-	-	-	-	-	-	-	-	-
Adjacent Solids H.B.	2027	Blower Building		12		-	-	-	-	-	-	-	-	-	-
Next to Main Control Building	2027	Solids Handling Building	Upgrade ventilation & heat, misc. demolition, structural repairs, & painting.	20	\$ 1,880,000	-	1,880,000	-	-	-	-	-	-	-	-
Solids Handling Building	2027	Ashbrook Belt Press #2(Rear)	Replace belt presses,conveyor and add in-line grinder	16	\$ 5,590,000	-	5,590,000	-	-	-	-	-	-	-	-
Solids Handling Building	2027	Ashbrook Belt Press #1 (Front)		16		-	-	-	-	-	-	-	-	-	-
Sludge Building	2027	Conveyor Belt Assembly(Sludge)		20		-	-	-	-	-	-	-	-	-	-
Proposed 2027 Backlog Renewal Project \$ 10,749,000						\$ 10,749,000									
Subtotal General Annual Renewal Capital Needs \$ 1,870,000						\$ 130,000		\$ -	\$ 750,000	\$ 890,000	\$ 35,000	\$ 35,000	\$ 40,000	\$ 40,000	\$ 80,000
10 YEAR WWTP RENEWAL TOTAL (Exluding Collection System Renewal & Gen'l Capital Outlay) \$ 12,619,000															

Depreciation

“reduction in the value of an asset with the passage of time”

FY 2021 through FY 2025:

Water Capital Outlay = 56% of depreciation

Wastewater Outlay = 39% of depreciation

WATER AND WASTEWATER - MAJOR ASSET DEPRECIATION

Sources - Useful Life:

Government Accounting Standards Board (GASB); useful life 30-50 years for WTP and WWTP, Depreciation 2-3.33%

AWWA - Useful life of water treatment facilities ranges 30-50 years

AWWA - Recommends a 1-2% annual waterline replacement (50-100yr useful life)

WEF - Typical Useful life of a WWTP is 20-50 years

DEPRECIATION RATES:

	Assumed Useful Life	Annual Depreciation
WTP Facility, Tanks, Booster Stations	60	1.67%
Distribution System Piping	80	1.25%
WWTP -- equipment & structures	40	2.50%
Collection System - (manholes and piping)	65	1.54%

Major Assets Replacement Cost (2025)

WATER							
WTP Replacement Value	\$/gal	Capacity	Value	Depreciation	Depreciation (\$/YR)		
Equip and Structures	8.0	10,000,000	\$ 80,000,000	1.67%	\$		1,333,333
Reservoir Intake Tower			\$ 4,000,000	1.67%	\$		66,667
Water Tanks							
Ground Tanks	3.0	4,300,000	\$ 12,900,000	1.67%	\$		215,000
Elevated Tanks	7.5	1,400,000	\$ 10,500,000	1.67%	\$		175,000
Booster Stations							
Bethel Lane			\$ 650,000	1.67%	\$		10,833
Tank Street (not req'd to replace)			\$ -	1.67%	\$		-
Water Distribution							
size	LF	\$/ft					
6"-8"	584,827	190	\$ 111,117,130	1.25%	\$		1,388,964
10"-12"	120,861	275	\$ 33,236,775	1.25%	\$		415,460
16-18"	37,637	450	\$ 16,936,650	1.25%	\$		211,708
>18"	18,255	600	\$ 10,953,000	1.25%	\$		136,913
Water- Total Major Assets			\$ 280,293,555	Total Depreciation	\$		3,953,878

WASTEWATER							
WWTP Replacement Value							
Equip and Structures	13.0	8,000,000	\$ 104,000,000	2.50%	\$		2,600,000
Collection System							
4"-6"	171,437	175	\$ 30,001,475	1.54%	\$		461,561
8"-12"	534,961	250	\$ 133,740,250	1.54%	\$		2,057,542
15"-21"	70,393	350	\$ 24,637,550	1.54%	\$		379,039
24"-42"	56,467	575	\$ 32,468,525	1.54%	\$		499,516
Wastewater- Total Major Assets			\$ 324,847,800	Total Depreciation	\$		5,997,658

Depreciation Reduction Factor: Depreciation calculated above is based on in-kind replacement. Through selection of renewal methods that restore the asset to near original condition through refurbishment, rebuild, retrofit etc, the cost of renewal will be less than renewal via replacement. Also considering cost burden on users and financial thresholds for grant eligibility it is assumed partial grant funds will be obtained to further offset actual depreciation rates. Taking these factors into consideration a depreciation reduction factor is applied to full replacement depreciation (i.e. final renewal depreciation = X% of replacement depreciation).

Depreciation Reduction Factor (multiplier)	0.60	Annual Depreciation (Reduced)	
Final WATER depreciation (applying reduction)		\$	2,372,327
Final WASTEWATER depreciation (applying reduction)		\$	3,598,595

Linked value to budget summary

Budget Forecast (10-Year)

10-YEAR WATER AND WASTEWATER BUDGET FORECAST - (Martinsville Asset Management Plan - 2025)																	Comments
	FY (Beginning)	2021 ⁽²⁾	2022 ⁽²⁾	2023 ⁽²⁾	2024 ⁽¹⁾	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
WATER																	
LI	Revenue																
1	Charges for Services	3,563,427	3,687,333	3,961,760	4,134,260	4,382,316	4,645,255	4,923,970	5,219,408	5,532,572	5,864,527	6,216,398	6,589,382	6,984,745	7,403,830	7,848,060	Inflation based on % increase input below
2	Other Revenue	271,327	224,043	182,000	182,000	192,920	204,495	216,785	229,771	243,557	258,170	273,661	290,080	307,485	325,934	345,490	Inflation based on % increase input below
3	Transfer From Other Funds	0	0	676,678	0	0	0	0	0	0	0	0	0	0	0	0	
4	Total Revenue	3,834,754	3,911,376	4,820,438	4,316,260	4,575,236	4,849,750	5,140,735	5,449,179	5,776,130	6,122,697	6,490,059	6,879,463	7,292,230	7,729,764	8,193,550	
5	Expenses																
6	Operating Expenses																
7	Salaries and Benefits	784,906	932,425	1,377,306	1,333,133	1,399,790	1,469,779	1,543,268	1,620,431	1,701,453	1,786,526	1,875,852	1,969,645	2,068,127	2,171,533	2,280,110	5% inflation applied for accelerated City performed renewal work
8	Other Expenses	1,202,463	1,244,999	1,499,458	1,176,243	1,306,900	1,372,245	1,440,857	1,512,900	1,588,545	1,667,972	1,751,371	1,838,940	1,930,887	2,027,431	2,128,802	5% inflation applied for accelerated City performed renewal work
9	Existing Debt Service	60,281	55,455	350,162	361,560	350,162	350,162	350,162	350,162	350,162	350,162	350,162	350,162	350,162	94,714	94,714	
10	New Debt Service (WTP)	0	0	0	0	0	0	0	0	100,262	100,262	100,262	100,262	100,262	100,262	100,262	Water treatment plant backlog project
11	Capital Outlay for (non-AMP itemized)	511,965	367,949	1,343,512	22,738	289,033	294,814	300,710	306,724	312,859	319,116	325,498	332,008	338,648	345,421	352,330	Assume 50% of average capital outlay (FY21-24) plus 2%/yr inflation for small capital non-itemized AMP asset renewal needs.
12	Capital Outlay (AMP Renewal)	0	0	0	0	266,000	266,000	150,000	150,000	400,000	425,000	385,000	525,000	0	0	325,000	Ref. Inventory spread sheet "Capital"
13	Transfer to Other Funds	1,445,000	0	250,000	1,422,586	0	0	0	0	0	0	0	0	0	0	0	
14	Depreciation/Capital Reserve Fund	0	0	0	0	1,733,131	1,468,797	1,817,297	1,710,646	1,404,600	1,424,700	1,510,703	1,417,625	2,245,934	2,294,753	2,019,547	Depreciation inflated 2%/Yr less capital expenditures LI 9 thru 12
15	Total Expenses (without depreciation)	4,004,636	2,600,828	4,820,438	4,316,260	3,345,885	3,773,000	3,634,997	3,940,218	4,453,281	4,649,038	4,788,145	5,116,016	4,532,638	4,739,361	5,281,218	
16	Total Expenses (with depreciation)	4,004,636	2,600,828	4,820,438	4,316,260	5,079,016	5,261,797	5,452,294	5,650,864	5,857,881	6,073,738	6,298,848	6,533,642	6,778,872	7,034,114	7,300,765	
17	Annual Surplus (without Depreciation)	-169,882	1,310,548	0	0	1,229,351	1,076,750	1,508,737	1,508,961	1,322,849	1,473,659	1,701,914	1,763,446	2,758,593	2,990,403	2,912,332	
18	Annual Surplus (with Depreciation)	-169,882	1,310,548	0	0	-503,781	-412,048	-311,559	-201,685	-81,751	48,959	191,211	345,821	513,658	695,650	892,755	
19	End Fund Balance (Without Depreciation)	-339,764	2,621,096	0	0	1,229,351	2,306,101	3,811,838	5,320,798	6,643,647	8,117,307	9,819,220	11,582,667	14,342,260	17,332,662	20,244,995	
20	End Fund Balance (With Depreciation)	0	0	0	0	-503,781	-915,828	-1,227,388	-1,429,072	-1,510,824	-1,461,865	-1,270,654	-924,833	-411,175	284,476	1,177,261	
WASTEWATER																	
22	Revenue																
23	Charges for Services	4,362,696	4,601,211	4,828,500	5,167,300	5,735,703	6,366,630	7,066,960	7,844,325	8,707,201	9,664,993	10,728,142	11,908,238	13,218,144	14,672,140	16,286,075	Inflation based on % increase input below
25	Other Revenue	28,860	23,386	25,512	25,512	28,318	31,433	34,891	38,729	42,989	47,718	52,967	58,793	65,281	72,439	80,408	Inflation based on % increase input below
26	Transfer From Other Funds	0	0	2,265,708	314,817	0	0	0	0	0	0	0	0	0	0	0	
27	Total Revenue	4,391,556	4,624,597	7,119,720	5,507,629	5,764,021	6,398,064	7,101,851	7,883,054	8,750,190	9,712,711	10,781,109	11,967,031	13,283,405	14,744,579	16,366,483	
28	Expenses																
29	Operating Expenses																
30	Salaries and Benefits	1,465,398	1,327,889	1,626,547	2,024,570	2,125,799	2,232,088	2,343,893	2,460,877	2,583,921	2,713,117	2,848,773	2,991,212	3,140,773	3,297,811	3,462,702	5% inflation applied for accelerated City performed renewal work
31	Other Expenses	1,954,377	2,242,504	2,491,704	2,184,063	2,306,090	2,421,395	2,542,485	2,669,588	2,803,067	2,943,221	3,090,382	3,244,901	3,407,146	3,577,503	3,758,378	5% inflation applied for accelerated City performed renewal work
32	Existing Debt Service	0	0	634,336	634,336	634,336	634,336	634,336	634,336	634,336	634,336	634,336	634,336	634,336	634,336	634,336	
33	New Debt Service (Collection - Doe Run/Ind Pk)	0	0	0	0	0	0	104,327	104,327	104,327	104,327	104,327	104,327	104,327	104,327	104,327	Gravity sewer rehabilitation project_in progress
34	New Debt Service (WWTP)	0	0	0	0	0	0	689,517	689,517	689,517	689,517	689,517	689,517	689,517	689,517	689,517	WWTP backlog project
35	Capital Outlay for (non-AMP identified)	721,287	979,328	2,367,133	22,738	511,311	521,537	531,968	542,607	553,459	564,528	575,819	587,335	599,082	611,064	623,285	Assume 50% of average capital outlay (FY21-24) plus 2%/yr inflation for small capital non-itemized AMP asset renewal needs.
36	Capital Outlay (AMP Renewal)	0	0	0	0	750,000	750,000	890,000	890,000	35,000	35,000	35,000	40,000	40,000	40,000	80,000	Ref. Inventory spread sheet "Capital"
37	Transfer to Other Funds	0	0	0	641,922	0	0	0	0	0	0	0	0	0	0	0	
38	Depreciation/Capital Reserve Fund	0	0	0	0	2,452,948	2,384,694	2,473,348	1,848,070	1,163,595	1,090,431	2,013,603	2,083,139	2,149,065	2,221,410	2,255,202	Depreciation inflated 2%/Yr less capital expenditures LI 36 thru LI 40
39	Total Expenses (without depreciation)	4,141,062	4,549,721	7,119,720	5,507,629	5,577,836	5,939,356	6,156,788	7,101,283	8,118,628	8,539,047	9,797,154	8,286,628	8,615,181	8,954,858	9,350,548	
40	Total Expenses (with depreciation)	4,141,062	4,549,721	7,119,720	5,507,629	8,030,484	8,324,050	8,630,136	8,949,323	9,282,224	9,629,478	9,991,757	10,369,767	10,764,246	11,175,968	11,608,747	
41	Annual Surplus (without Depreciation)	250,494	74,876	0	0	186,486	458,707	945,063	781,801	1,173,664	2,802,955	3,680,403	4,668,224	5,790,021	7,015,938	7,015,938	
42	Annual Surplus (with Depreciation)	0	0	0	0	-2,266,463	-1,925,987	-1,528,285	-1,066,269	-532,033	83,233	789,382	1,897,264	2,519,189	3,568,611	4,760,736	
43	End Fund Balance (Without Depreciation)	250,494	74,876	0	0	186,486	645,193	1,890,256	2,372,057	3,003,619	4,177,283	6,980,238	10,660,641	15,328,865	21,118,886	28,134,824	
44	End Fund Balance (With Depreciation)					-2,266,463	-4,192,449	-5,720,734	-6,787,003	-7,319,037	-7,235,803	-6,446,451	-4,849,187	-2,330,028	1,238,583	5,999,318	

Notes

- FY24/25 data is from City Projected Budget
- FY 21 thru 23 is "Actual" based on FY 24-25 Budget
- Identification of specific waterlines and wastewater collection piping renewals is ongoing. A minimum average renewal expense for waterlines and wastewater collection based on the City AMP is \$1.3 million and \$2.0 million respectively. Depreciation expense noted includes monies to be reserved for renewal of waterlines and wastewater collection piping as highest priority renewal needs are determined.

Total Depreciation by Utility Type with 2% Annual Inflation																
Water						2,372,327	2,419,773	2,468,190	2,517,532	2,567,883	2,619,240	2,671,625	2,725,058	2,779,559	2,835,150	2,891,853
Wastewater						3,596,595	3,670,567	3,743,978	3,818,958	3,895,235	3,973,140	4,052,603	4,133,655	4,216,328	4,300,654	4,386,667

Water and Wastewater User Rates

- USDA Burden Rate Estimate: 1.5% Median Household Income (MHI) for 5,000 gal/month customer
- City of Martinsville MHI (2023) = \$42,434
- Calculated Burden rate = \$53.04/Month
- Current 5000 gal/month customer bill: Water \$33.31; Wastewater \$32.64
- Rate study in progress – will require results of AMP to complete

Conclusions

1. Large percentage of assets approaching end of expected service life
2. Significant progress in renewal of linear assets (mostly wastewater) in past 10 years
3. Backlog of high-risk renewal needs - WTP and WWTP.
4. GIS compiled field data important for prioritizing linear assets (i.e., water and wastewater piping).
5. City has qualified staff for performing complex O&M and significant asset renewal.
6. A minimum annual growth (5%/YR) in personnel and equipment will be necessary to meet O&M and self-performed renewal needs.
7. FY 2021 through FY 2025 Capital Outlay expenditures are less than cost of depreciation.
8. Revenue increases of 5-6%/YR for Water and 10-11%/YR for Wastewater is necessary to meet renewal requirements.
9. Water and wastewater user rates; 40% below “burden” rate.

Recommendations

1. Continued focus: O&M to extend service life, skilled employee retention and training, self-performed renewal capability.
2. Clear backlog renewal needs at the WTP and WWTP
3. Perform flow monitoring and CCTV in wastewater collection sub-basins to prioritize renewal
4. Complete ongoing efforts to build out GIS platform for collection of critical field data to be used in O&M as well as prioritizing renewal of linear assets.
5. Take advantage of low interest loan and grant funds
6. Set a goal to increase self-performed renewal work by at least 5% annually. Focus on high-risk waterlines and point repairs in wastewater collection system.
7. Create a restricted W&WW Reserve Fund for renewal of linear assets and for funding vertical assets that fail prematurely.
8. Begin regular adjustment of user rates and other charges to align with AMP 10-year Budget Forecast.
9. Update the AMP annually and conduct formal review with key staff responsible for implementation. Track progress on key O&M activities and renewal activities throughout the year.

QUESTIONS?



STAFF REPORT

TO: City Council

FROM: Greg Maggard, Managing Director of Public Works

SUBJECT: Discuss and Consider Contracting with Moseley Inc. for the Martinsville Courts Facility Condition Assessment, Architectural and Engineering Design Services

STAFF/ DEPARTMENT RESPONSIBLE: Public Works

MEETING DATE: June 24, 2025

BACKGROUND/HISTORY:

The Show Cause Order entered against the City in November 2024, outlined a potential deficiency with specific building design requirements and potential safety issues. To comply with the Show Cause Order, it was determined that a complete Building Assessment is required. This assessment will determine the current conditions within the building, provide potential remediation/renovations options, and assess if a new building is most logical.

POLICY EXPLANATION:

N/A

FISCAL IMPACT/FUNDING SOURCE:

\$108,412 / General Fund Balance

Available Budget: Unknown

Purchase Amount: \$108,412

ACTION REQUESTED/ALTERNATIVES

Approve a contract with Moseley Inc. for the Martinsville Courts Facility Condition Assessment, Architectural and Engineering Design Services.

1. City Council Approve
2. City Council Do Not Approve
3. Other Action as Requested by City Council

ATTACHMENTS:

1.	B101-2017 - Martinsville Courts revised 2025-06-10- EXECUTED
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AIA[®] Document B101[®] – 2017

Standard Form of Agreement Between Owner and Architect

AGREEMENT made as of the Fourth day of June in the year Two Thousand Twenty-Five
(In words, indicate day, month and year.)

BETWEEN the Architect's client identified as the Owner:
(Name, legal status, address and other information)

City of Martinsville
990 Fishel Street
Martinsville, Virginia 24112
Telephone Number: 276-403-5354

and the Architect:
(Name, legal status, address and other information)

Moseley Inc.
3200 Norfolk Street
Richmond, Virginia 23230
Telephone Number
: 804-794-7555

for the following Project:
(Name, location and detailed description)

Martinsville Courts Facility Condition Assessment, Architectural and Engineering Design
Services

The Owner and Architect agree as follows.

This document has important
legal consequences.
Consultation with an attorney
is encouraged with respect to
its completion or modification.

Init.

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ARTICLE 1 INITIAL INFORMATION

§ 1.1 This Agreement is based on the Initial Information set forth in this Section 1.1.

(For each item in this section, insert the information or a statement such as "not applicable" or "unknown at time of execution.")

§ 1.1.1 The Owner's program for the Project:

(Insert the Owner's program, identify documentation that establishes the Owner's program, or state the manner in which the program will be developed.)

Provide consultation and advice in context of litigation including a space needs assessment services for the preparation of a building program looking at current, 5-, 10-, and 20-year space needs for the Circuit, General District, and Juvenile Courts, and County Administration functions. Based on the outcome of the space needs assessment, prepare three options for renovating the building and meeting the space needs identified in the planning horizon as indicated by the City. Those options will consist of 1) renovation of the existing facility, 2) renovation and expansion of the existing facility, and 3) construction of a new courts facility on a site identified by the City. If a site is not identified, prepare the conceptual site plan based on a fictitious site that identifies the required site area and amenities. For Option 1, Architect will work with the City to identify a planning horizon to which the facility will be designed in the event that the 20 year space needs exceed the available space in the existing building. Architectural plans for the three options will consist of conceptual level plans with major spaces and circulation paths identified.

Deliverables will consist of conceptual plans, 20 year space projections, and building condition assessment documentation.

Upon completion of the assessment, Owner may, in Owner's discretion, select a design option and direct Architect to proceed with preparation of detailed plans and additional services as described in sections 3.2 through 3.6.6.5, and Architect shall, upon negotiation of such additional compensation to Architect as the parties may agree, proceed with such services.

§ 1.1.2 The Project's physical characteristics:

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(Identify or describe pertinent information about the Project's physical characteristics, such as size; location; dimensions; geotechnical reports; site boundaries; topographic surveys; traffic and utility studies; availability of public and private utilities and services; legal description of the site, etc.)

The Project site is located at 55 West Church Street, Martinsville, Virginia. On September 12, 2024, the City of Martinsville was served with an Order to Show Cause why the court facilities could not be made secure, put in good repair, or rendered otherwise safe. As a result, the City issued the RFP for services related to the courthouse to obtain advice in regard to the condition of the Court facilities and identify items that need to be brought into good repair for the building to function, and items that are not in compliance with the Virginia Courthouse Design Guidelines that should be modified to make the building secure.

§ 1.1.3 The Owner's budget for the Cost of the Work, as defined in Section 6.1:
(Provide total and, if known, a line item breakdown.)

To be determined as the Project progresses.

§ 1.1.4 The Owner's anticipated design and construction milestone dates:

.1 Design phase milestone dates, if any:

To be determined as the Project progresses.

.2 Construction commencement date:

To be determined as the Project progresses.

.3 Substantial Completion date or dates:

To be determined as the Project progresses.

.4 Final Completion date or dates:

~~.4~~ To be determined as the Project progresses.

.5 Other milestone dates:

To be determined as the Project progresses.

§ 1.1.5 The Owner intends the following procurement and delivery method for the Project:
(Identify method such as competitive bid or negotiated contract, as well as any requirements for accelerated or fast-track design and construction, multiple bid packages, or phased construction.)

A stipulated sum construction contract with a single Contractor pursuant to competitive bidding.

§ 1.1.6 The Owner's anticipated Sustainable Objective for the Project:
(Identify and describe the Owner's Sustainable Objective for the Project, if any.)

Not Applicable

§ 1.1.6.1 If the Owner identifies a Sustainable Objective, the Owner and Architect shall complete and incorporate AIA Document E204™–2017, Sustainable Projects Exhibit, into this Agreement to define the terms, conditions and services related to the Owner's Sustainable Objective. If E204–2017 is incorporated into this agreement, the Owner and Architect shall incorporate the completed E204–2017 into the agreements with the consultants and contractors performing services or Work in any way associated with the Sustainable Objective.

§ 1.1.7 The Owner identifies the following representative in accordance with Section 5.3:
(List name, address, and other contact information.)

Zach Morris, Purchasing Manager
City of Martinsville
990 Fishel Street
Martinsville, Virginia 24112
Telephone Number: 276-403-5354

§ 1.1.8 The persons or entities, in addition to the Owner's representative, who are required to review the Architect's submittals to the Owner are as follows:
(List name, address, and other contact information.)

To be determined as the Project progresses.

§ 1.1.9 The Owner shall retain the following consultants and contractors:
(List name, legal status, address, and other contact information.)

.1 Geotechnical Engineer:

To be determined as the Project Progresses

.2 Civil Engineer: Survey/Topographical:

Timmons Group
7053 Celebration Park Avenue
Suite 300
Richmond, Virginia 23225

.3 Hazardous Materials:

City of Martinsville

.4 Cost Estimator/Cost Consultant:

Downey & Scott, LLC
6799 Kennedy Road
Unit F
Warrenton, Virginia 20187

.5 Schedule Consultant:

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Not Applicable

.6 Constructability Consultant:

Not Applicable

.7 Existing Facility Survey:

Moseley Architects P.C.

.8 Underground Utilities Locator:

Timmons Group
7053 Celebration Park Avenue
Suite 300
Richmond, Virginia 23225

.10 Other, if any:

(List any other consultants and contractors retained by the Owner.)

To be determined as the Project progresses.

§ 1.1.10 The Architect identifies the following representative in accordance with Section 2.3:
(List name, address, and other contact information.)

Joshua N. Bennett, AIA, Vice President
Moseley Inc.
3200 Norfolk Street
Richmond, Virginia 23230
Telephone Number: 804-794-7555

§ 1.1.11 The Architect shall retain the consultants identified in Sections 1.1.11.1 and 1.1.11.2:
(List name, legal status, address, and other contact information.)

§ 1.1.11.1 Consultants retained under Basic Services:

.1 Structural Engineer:

Moseley Architects P.C.

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.2 Mechanical Engineer:

Moseley Architects P.C.

.3 Electrical Engineer:

Moseley Architects P.C.

.4 Plumbing Engineer:

Moseley Architects P.C.

.5 Civil Engineer:

Timmons Group
7053 Celebration Park Avenue
Suite 300
Richmond, Virginia 23225

§ 1.1.11.2 Consultants retained under Supplemental Services:

To be determined upon approval of Supplemental Services from Owner.

§ 1.1.12 Other Initial Information on which the Agreement is based:

§ 1.2 The Owner and Architect may rely on the Initial Information. Both parties, however, recognize that the Initial Information may materially change and, in that event, the Owner and the Architect shall appropriately adjust the Architect's services, schedule for the Architect's services, and the Architect's compensation. The Owner shall adjust the Owner's budget for the Cost of the Work and the Owner's anticipated design and construction milestones, as necessary, to accommodate material changes in the Initial Information.

§ 1.3 The parties shall agree upon ~~written~~ protocols governing the transmission and use of, ~~and reliance on,~~ of Instruments of Service or any other information or documentation in digital form. The parties will use AIA Document E203™–2013, Building Information Modeling and Digital Data Exhibit, to establish the protocols for the development, use, transmission, and exchange of digital data.

§ 1.3.1 Any use of, or reliance on, all or a portion of a building information model without agreement to ~~written~~ protocols governing the use of, and reliance on, the information contained in the model and without having those protocols set forth in AIA Document E203™–2013, Building Information Modeling and Digital Data Exhibit, and the requisite AIA Document G202™–2013, Project Building Information Modeling Protocol Form, shall be at the using or relying party's sole risk and without liability to the other party and its contractors or consultants, the authors of, or contributors to, the building information model, and each of their agents and employees.

ARTICLE 2 ARCHITECT'S RESPONSIBILITIES

§ 2.1 The Architect shall provide professional services as set forth in this Agreement. The Architect represents that it is properly licensed in the jurisdiction where the Project is located to provide the services required by this Agreement, or shall cause such services to be performed by appropriately licensed design professionals.

§ 2.2 The Architect shall perform its services consistent with the professional skill and care ordinarily provided by architects practicing in the same or similar locality under the same or similar circumstances. The Architect shall perform its services as expeditiously as is consistent with such professional skill and care and the orderly progress of the Project.

§ 2.2.1 Subject to the standard of care set forth in Section 2.2 for applying professional judgment to the information used or relied upon, Architect and its Consultants may use and rely upon design elements, technical standards, test results, and all other information ordinarily or customarily furnished or published by others, including, but not limited to, specialty contractors, manufacturers, fabricators, and suppliers.

§ 2.2.2 The Owner agrees that estimating and projecting future weather, climate, rainfall, flood, tidal, ocean and on-shore conditions and their impacts upon existing or contemplated developments, infrastructure or resources is difficult, complex and based on variable assumptions that are impacted by factors beyond the Architect's ability to predict or control and understands that the Architect by training and experience does not possess the expertise to assess the effects of climate change or extreme climate events not addressed by current codes and standards on the Project and assumes no responsibility beyond the professional skill and care in designing to current codes and standards. Accordingly, any estimates, forecasts, studies, reviews, conclusions, recommendations or assessments provided as part of the Architect's Services are presented solely on the basis of data currently available and may no longer be valid if that data materially changes. The Owner further agrees and understands that weather, climate, rainfall, flood, tidal, ocean and on-shore events are based on probability, and extreme events can and will occur and may cause damage regardless of mitigation measures. Therefore, the Architect and the Owner have discussed the risks and benefits of resilient design alternatives and the Owner agrees that because disruptive climate events are unforeseeable at the time this contract for services was negotiated, that it will waive any claim against the Architect related to climate events that exceed those addressed by existing codes and standards.

§ 2.3 The Architect shall identify a representative authorized to act on behalf of the Architect with respect to the Project.

§ 2.4 Except with the Owner's knowledge and consent, the Architect shall not engage in any activity, or accept any employment, interest or contribution that would reasonably appear to compromise the Architect's professional judgment with respect to this Project.

§ 2.5 The Architect shall maintain the following insurance until termination of this Agreement. If any of the requirements set forth below are in addition to the types and limits the Architect normally maintains, the Owner shall pay the Architect as set forth in Section 11.9.

§ 2.5.1 Commercial General Liability with policy limits of not less than one million dollars (\$ 1,000,000.00) for each occurrence and two million dollars (\$ 2,000,000.00) in the aggregate for bodily injury and property damage.

§ 2.5.2 Automobile Liability covering vehicles owned, and non-owned vehicles used, by the Architect with policy limits of not less than a combined single limit one million dollars (\$ 1,000,000.00) per accident for bodily injury, death of any person, and property damage arising out of the ownership, maintenance and use of those motor vehicles, along with any other statutorily required automobile coverage.

§ 2.5.3 The Architect may achieve the required limits and coverage for Commercial General Liability and Automobile Liability through a combination of primary and excess or umbrella liability insurance, provided such primary and excess or umbrella liability insurance policies result in the same or greater coverage as the coverages required under Sections 2.5.1 and 2.5.2, and in no event shall any excess or umbrella liability insurance provide narrower coverage than the primary policy. ~~The excess policy shall not require the exhaustion of the underlying limits only through the actual payment by the underlying insurers.~~

§ 2.5.4 Workers' Compensation at statutory limits.

§ 2.5.5 Employers' Liability with policy limits not less than one million dollars (\$ 1,000,000.00) each accident, one million dollars (\$ 1,000,000.00) each employee, and one million dollars (\$ 1,000,000.00) policy limit.

§ 2.5.6 Professional Liability covering negligent acts, errors and omissions in the performance of professional services with policy limits of not less than one million dollars (\$ 1,000,000.00) per claim and one million dollars (\$ 1,000,000.00) in the aggregate.

§ 2.5.7 **Additional Insured Obligations.** To the fullest extent permitted by law, the Architect shall cause the primary and excess or umbrella policies for Commercial General Liability and Automobile Liability to include the Owner as an additional insured for claims caused in whole or in part by the Architect's negligent acts or omissions. The additional insured coverage shall be primary and non-contributory to any of the Owner's insurance policies and shall apply to both ongoing and completed operations.

§ 2.5.8 The Architect shall provide certificates of insurance to the Owner that evidence compliance with the requirements in this Section 2.5.

ARTICLE 3 SCOPE OF ARCHITECT'S BASIC SERVICES

§ 3.1 ~~The usual and customary Architect's Basic Services consist of those described in this Article 3 and include usual and customary structural, mechanical, and electrical engineering services. Services indicated in Section 1.1.11.1 and as described in this Article 3. Services not indicated in Section 1.1.11.1 and not set forth in this Article 3 are Supplemental or Additional Services.~~

§ 3.1.1 The Architect shall manage the Architect's services, research applicable design criteria, attend Project meetings, communicate with members of the Project team, and report progress to the Owner.

§ 3.1.2 The Architect shall coordinate its services with those services provided by the Owner and the Owner's consultants. The Architect shall be entitled to rely on, and shall not be responsible for, the accuracy, completeness, and timeliness of, services and information furnished by the Owner and the Owner's consultants. The Architect shall provide prompt written notice to the Owner if the Architect becomes aware of any error, omission, or inconsistency in such services or information.

§ 3.1.3 As soon as practicable after the date of this Agreement, the Architect shall submit for the Owner's approval a schedule for the performance of the Architect's services. The schedule initially shall include anticipated dates for the commencement of construction and for Substantial Completion of the Work as set forth in the Initial Information. The schedule shall include allowances for periods of time required for the Owner's review, for the performance of the Owner's consultants, and for approval of submissions by authorities having jurisdiction over the Project. Once approved by the Owner, time limits established by the schedule shall not, except for reasonable cause, be exceeded by the Architect or Owner. With the Owner's approval, the Architect shall adjust the schedule, if necessary, as the Project proceeds until the commencement of construction.

§ 3.1.3.1 The Owner and Architect are aware that many factors outside the Architect's reasonable control may affect the Architect's ability to complete the services to be provided under this Agreement. The Architect will perform these services with reasonable diligence and expediency consistent with sound professional practices. For purposes

of this Agreement, such factors include, but may not be limited to, strikes or other labor disputes; severe weather disruptions or other natural disasters or acts of God; fires, riots, war, pandemics, epidemics, quarantines, or other local, state, or national declared emergencies; failure of any government agency to act in timely manner; failure of performance by the Owner or the Owner's representatives, contractors or consultants; or discovery of any hazardous substances or differing site conditions or other similar or reasonably unforeseen events. Notwithstanding the above factors, Architect reserves the right to seek common law defenses as may be applicable if such services are adversely affected.

§ 3.1.4 The Architect shall not be responsible for an Owner's directive or substitution, or for the Owner's acceptance of non-conforming Work, made or given without the Architect's written ~~approval~~ acceptance. The Architect shall not be responsible for an Owner's directive or substitution made or given contrary to Architect's advice, or for the acceptance of non-conforming work, made or given without the Architect's written acceptance.

§ 3.1.5 The Architect ~~shall~~ shall, at appropriate times, contact governmental authorities required to approve the Construction Documents and entities providing utility services to the Project. The Architect shall respond to applicable design requirements imposed by those authorities and entities.

§ 3.1.6 The Architect shall assist the Owner in connection with the Owner's responsibility for filing documents required for the approval of governmental authorities having jurisdiction over the Project.

§ 3.2 Schematic Design Phase Services

§ 3.2.1 The Architect shall review the program and other information furnished by the Owner, and shall review laws, codes, and regulations applicable to the Architect's services. **3.1.7** The Architect shall exercise usual and customary professional care in its efforts to comply with applicable laws, codes and regulations in effect as of the date of the submission to building authorities. Design changes made necessary by newly enacted laws, codes and regulations after this date, may, if agreeable to both parties, require a reasonable adjustment in the schedule and additional compensation in accordance with the Additional Services provisions of this Agreement. In the event of a conflict between the applicable laws, codes and regulations of various governmental entities having jurisdiction over this Project, the Architect shall notify the Owner of the nature and impact of such conflict. The Owner agrees to cooperate and work with the Architect in an effort to resolve this conflict.

§ 3.2 Schematic Design Phase Services, to be provided upon written authorization from Owner.

§ 3.2.1

§ 3.2.2 The Architect shall prepare a preliminary evaluation of the Owner's program, schedule, budget for the Cost of the Work, Project site, the proposed procurement and delivery method, and other Initial Information, each in terms of the other, to ascertain the requirements of the Project. The Architect shall notify the Owner of (1) any inconsistencies discovered in the information, and (2) other information or consulting services that may be reasonably needed for the Project.

§ 3.2.3 The Architect shall present its preliminary evaluation to the Owner and shall discuss with the Owner alternative approaches to design and construction of the Project. The Architect shall reach an understanding with the Owner regarding the requirements of the Project.

§ 3.2.4 Based on the Project requirements agreed upon with the Owner, the Architect shall prepare and present, for the Owner's approval, a preliminary design illustrating the scale and relationship of the Project components.

§ 3.2.5 Based on the Owner's approval of the preliminary design, the Architect shall prepare Schematic Design Documents for the Owner's approval. The Schematic Design Documents shall consist of drawings and other documents including a site plan, if appropriate, and preliminary building plans, sections and elevations; and may include some combination of study models, perspective sketches, or digital representations. Preliminary selections of major building systems and construction materials shall be noted on the drawings or described in writing.

§ 3.2.5.1 The Architect shall consider sustainable design alternatives, such as material choices and building orientation, together with other considerations based on program and aesthetics, in developing a design that is consistent with the Owner's program, schedule and budget for the Cost of the Work. The Owner may obtain more advanced sustainable design services as a Supplemental Service under Section 4.1.1.

§ 3.2.5.2 The Architect shall consider the value of alternative materials, building systems and equipment, together with other considerations based on program and aesthetics, in developing a design for the Project that is consistent with the Owner's program, schedule, and budget for the Cost of the Work.

§ 3.2.6 The Architect shall submit to the Owner an estimate of the Cost of the Work prepared in accordance with Section 6.3.

§ 3.2.7 The Architect shall submit the Schematic Design Documents to the Owner, and request the Owner's written approval.

§ 3.3 Design Development Phase ServicesServices, to be provided upon written authorization from Owner.

§ 3.3.1 Based on the Owner's approval of the Schematic Design Documents, and on the Owner's authorization of any adjustments in the Project requirements and the budget for the Cost of the Work, the Architect shall prepare Design Development Documents for the Owner's approval. The Design Development Documents shall illustrate and describe the development of the approved Schematic Design Documents and shall consist of drawings and other documents including plans, sections, elevations, typical construction details, and diagrammatic layouts of building systems to fix and describe the size and character of the Project as to architectural, structural, mechanical and electrical systems, and other appropriate elements. ~~The Design Development Documents shall also include outline specifications that identify major materials and systems and establish, in general, their quality levels.~~

§ 3.3.2 The Architect shall update the estimate of the Cost of the Work prepared in accordance with Section 6.3.

§ 3.3.3 The Architect shall submit the Design Development Documents to the Owner, advise the Owner of any adjustments to the estimate of the Cost of the Work, and request the Owner's written approval.

§ 3.4 Construction Documents Phase ServicesServices, to be provided upon written authorization from Owner.

§ 3.4.1 Based on the Owner's approval of the Design Development Documents, and on the Owner's authorization of any adjustments in the Project requirements and the budget for the Cost of the Work, the Architect shall prepare Construction Documents for the Owner's approval. The Construction Documents shall illustrate and describe the further development of the approved Design Development Documents and shall consist of Drawings and Specifications setting forth in detail the quality levels and performance criteria of materials and systems and other requirements for the construction of the Work. The Owner and Architect acknowledge that, in order to perform the Work, the Contractor will provide additional information, including Shop Drawings, Product Data, Samples and other similar submittals, which the Architect shall review in accordance with Section 3.6.4.

§ 3.4.2 The Architect shall incorporate the design requirements of governmental authorities having jurisdiction over the Project into the Construction Documents.

§ 3.4.3 During the development of the Construction Documents, the Architect shall assist the Owner in the development and preparation of (1) procurement information that describes the time, place, and conditions of bidding, including bidding or proposal forms; (2) the form of agreement between the Owner and Contractor; and (3) the Conditions of the Contract for Construction (General, Supplementary and other Conditions). The Architect shall also compile a project manual that includes the Conditions of the Contract for Construction and Specifications, and may include bidding requirements and sample forms. Architect shall submit the form of agreement and General Conditions of the of the Contract for Construction to the Owner's legal counsel for review and approval prior to issuance of the bidding documents.

§ 3.4.4 The Architect shall update the estimate for the Cost of the Work prepared in accordance with Section 6.3.

§ 3.4.5 The Architect shall submit the Construction Documents to the Owner, advise the Owner of any adjustments to the estimate of the Cost of the Work, take any action required under Section 6.5, and request the Owner's approval.

§ 3.5 Procurement Phase Services~~Services, to be provided upon written authorization from Owner.~~

§ 3.5.1 General

The Architect shall assist the Owner in establishing a list of prospective contractors. Following the Owner's approval of the Construction Documents, the Architect shall assist the Owner in (1) obtaining ~~either competitive bids or negotiated proposals; competitive bids;~~ (2) confirming responsiveness of ~~bids or proposals; bids;~~ (3) determining the successful ~~bid or proposal, if any; bid;~~ and, (4) awarding and preparing contracts for construction.

§ 3.5.2 Competitive Bidding

§ 3.5.2.1 Bidding Documents shall consist of bidding requirements and proposed Contract Documents.

§ 3.5.2.2 The Architect shall assist the Owner in bidding the Project by:

- ~~.1 facilitating the distribution of Bidding Documents to~~ distributing the Bidding Documents to prospective bidders, requesting their return upon completion of the bidding process, and maintaining a log of distribution and retrieval and of the amounts of deposits, if any, received from and returned to, prospective bidders;
- ~~.2 organizing and conducting a pre-bid conference for prospective bidders;~~
- ~~.3 preparing responses to questions from prospective bidders and providing clarifications and interpretations of the Bidding Documents to the prospective bidders in the form of addenda; and,~~
- ~~.4 organizing and conducting the opening of the bids, and subsequently documenting and distributing the bidding results, as directed by the Owner.~~

§ 3.5.2.3 ~~If the Bidding Documents permit substitutions, upon~~ Upon the Owner's written authorization, the Architect shall, as an Additional Service, consider requests for substitutions and prepare and distribute addenda identifying approved substitutions to all prospective bidders.

§ 3.5.3 Negotiated Proposals

§ 3.5.3.1 ~~Proposal Documents shall consist of proposal requirements and proposed Contract Documents.~~

§ 3.5.3.2 The Architect shall assist the Owner in obtaining proposals by:

- ~~.1 facilitating the distribution of Proposal Documents for distribution to prospective contractors and requesting their return upon completion of the negotiation process;~~ 3.6 Construction Phase Services, to be provided upon
- ~~.2 organizing and participating in selection interviews with prospective contractors;~~
- ~~.3 preparing responses to questions from prospective contractors and providing clarifications and interpretations of the Proposal Documents to the prospective contractors in the form of addenda; and, written authorization from~~
- ~~.4 participating in negotiations with prospective contractors, and subsequently preparing a summary report of the negotiation results, as directed by the Owner.~~

§ 3.5.3.3 ~~If the Proposal Documents permit substitutions, upon the Owner's written authorization, the Architect shall, as an Additional Service, consider requests for substitutions and prepare and distribute addenda identifying approved substitutions to all prospective contractors.~~

§ 3.6 Construction Phase Services

§ 3.6.1 General

§ 3.6.1.1 The Architect shall provide administration of the Contract between the Owner and the Contractor as set forth below and in AIA Document A201™–2017, General Conditions of the Contract for Construction. If the Owner and Contractor modify AIA Document A201–2017, those modifications shall not affect the Architect's services under this Agreement unless the Owner and the Architect amend this Agreement.

§ 3.6.1.2 The Architect shall advise and consult with the Owner during the Construction Phase Services. The Architect shall have authority to act on behalf of the Owner only to the extent provided in this Agreement. The Architect shall not have control over, charge of, or responsibility for the construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with the Work, nor shall the Architect be responsible for the Contractor's failure to perform the Work in accordance with the requirements of the Contract Documents. The Architect shall be responsible for the Architect's negligent acts or omissions, but shall not

have control over or charge of, and shall not be responsible for, acts or omissions of the Contractor or of any other persons or entities performing portions of the Work.

§ 3.6.1.3 Subject to Section 4.2 and except as provided in Section 3.6.6.5, the Architect's responsibility to provide Construction Phase Services commences with the award of the Contract for Construction and terminates on the date the Architect issues the final Certificate for Payment.

§ 3.6.2 Evaluations of the Work

§ 3.6.2.1 The Architect shall visit the site ~~at intervals appropriate to the stage of construction, or as otherwise~~ required in Section 4.2.3, to become generally familiar with the progress and quality of the portion of the Work completed, and to determine, in general, if the Work observed is being performed in a manner indicating that the Work, when fully completed, will be in accordance with the Contract Documents. However, the Architect shall not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. On the basis of the site visits, the Architect shall keep the Owner reasonably informed about the progress and quality of the portion of the Work completed, and promptly report to the Owner (1) known deviations from the Contract Documents, (2) known deviations from the most recent construction schedule submitted by the Contractor, and (3) defects and deficiencies observed in the Work.

§ 3.6.2.2 The Architect has the authority to reject Work that does not conform to the Contract Documents. Whenever the Architect considers it necessary or advisable, the Architect shall have the authority to require inspection or testing of the Work in accordance with the provisions of the Contract Documents, whether or not the Work is fabricated, installed or completed. However, neither this authority of the Architect nor a decision made in good faith either to exercise or not to exercise such authority shall give rise to a duty or responsibility of the Architect to the Contractor, Subcontractors, suppliers, their agents or employees, or other persons or entities performing portions of the Work.

§ 3.6.2.3 The Architect shall interpret and decide matters concerning performance under, and requirements of, the Contract Documents on written request of ~~either the Owner or Contractor.~~ the Owner. The Architect's response to such requests shall be made in writing within any time limits agreed upon or otherwise with reasonable promptness.

§ 3.6.2.4 Interpretations and decisions of the Architect shall be consistent with the intent of, and reasonably inferable from, the Contract Documents and shall be in writing or in the form of drawings. When making such interpretations and decisions, the Architect shall endeavor to secure faithful performance by ~~both Owner and Contractor, shall not show partiality to either.~~ Contractor, shall issue interpretations which result in the more complete rendering of the work, and shall not be liable for results of interpretations or decisions rendered in good faith. The Architect's decisions on matters relating to aesthetic effect shall be final if consistent with the intent expressed in the Contract Documents.

§ 3.6.2.5 Unless the Owner and Contractor designate another person to serve as an Initial Decision Maker, as that term is defined in AIA Document A201–2017, the Architect shall render initial decisions on Claims between the Owner and Contractor as provided in the Contract Documents.

§ 3.6.3 Certificates for Payment to Contractor

§ 3.6.3.1 The Architect shall review and certify the amounts due the Contractor and shall issue certificates in such amounts. The Architect's certification for payment shall constitute a representation to the Owner, based on the Architect's evaluation of the Work as provided in Section 3.6.2 and on the data comprising the Contractor's Application for Payment, that, to the best of the Architect's knowledge, information and belief, the Work has progressed to the point indicated, the quality of the Work is in accordance with the Contract Documents, and that the Contractor is entitled to payment in the amount certified. The foregoing representations are subject to (1) an evaluation of the Work for conformance with the Contract Documents upon Substantial Completion, (2) results of subsequent tests and inspections, (3) correction of minor deviations from the Contract Documents prior to completion, and (4) specific qualifications expressed by the Architect.

§ 3.6.3.2 The issuance of a Certificate for Payment shall not be a representation that the Architect has (1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work, (2) reviewed construction means, methods, techniques, sequences or procedures, (3) reviewed copies of requisitions received from Subcontractors and suppliers and other data requested by the Owner to substantiate the Contractor's right to

payment, or (4) ascertained how or for what purpose the Contractor has used money previously paid on account of the Contract Sum.

§ 3.6.3.3 The Architect shall maintain a record of the Applications and Certificates for Payment.

§ 3.6.4 Submittals

§ 3.6.4.1 The Architect shall review the Contractor's submittal schedule and shall not unreasonably delay or withhold approval of the schedule. The Architect's action in reviewing submittals shall be taken in accordance with the approved submittal schedule or, in the absence of an approved submittal schedule, with reasonable promptness while allowing sufficient time, in the Architect's professional judgment, to permit adequate review.

§ 3.6.4.2 The Architect shall review and ~~approve~~, or take other appropriate action upon, the Contractor's submittals such as Shop Drawings, Product Data and Samples, but only for the limited purpose of checking for general conformance with information given and the design concept expressed in the Contract Documents. Review of such submittals is not for the purpose of determining the accuracy and completeness of other information such as dimensions, quantities, and installation or performance of equipment or systems, which are the Contractor's responsibility. The Architect's review shall not constitute approval of safety precautions or construction means, methods, techniques, sequences or procedures. The Architect's approval of a specific item shall not indicate approval of an assembly of which the item is a component.

§ 3.6.4.3 If the Contract Documents specifically require the Contractor to provide professional design services or certifications by a design professional related to systems, materials, or equipment, the Architect shall specify the appropriate performance and design criteria that such services must satisfy. The Contractor's design professional shall verify the accuracy, adequacy, and suitability of the performance and design criteria. The Architect shall review and take appropriate action on Shop Drawings and other submittals related to the Work designed or certified by the Contractor's design professional, provided the submittals bear such professional's seal and signature when submitted to the Architect. The Architect's review shall be for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Architect shall be entitled to rely upon, and shall not be responsible for, the adequacy and accuracy of the services, certifications, and approvals performed or provided by such design professionals.

§ 3.6.4.4 Subject to Section 4.2, the Architect shall review and respond to requests for information about the Contract Documents. The Architect shall set forth, in the Contract Documents, the requirements for requests for information. Requests for information shall include, at a minimum, a detailed written statement that indicates the specific Drawings or Specifications in need of clarification and the nature of the clarification requested. The Architect's response to such requests shall be made in writing within any time limits agreed upon, or otherwise with reasonable promptness. If appropriate, the Architect shall prepare and issue supplemental Drawings and Specifications in response to the requests for information.

§ 3.6.4.5 The Architect shall maintain a record of submittals and copies of submittals supplied by the Contractor in accordance with the requirements of the Contract Documents.

§ 3.6.5 Changes in the Work

§ 3.6.5.1 The Architect may order minor changes in the Work that are consistent with the intent of the Contract Documents and do not involve an adjustment in the Contract Sum or an extension of the Contract Time. Subject to Section 4.2, the Architect shall prepare Change Orders and Construction Change Directives for the Owner's approval and execution in accordance with the Contract Documents.

§ 3.6.5.2 The Architect shall maintain records relative to changes in the Work.

§ 3.6.6 Project Completion

§ 3.6.6.1 The Architect shall:

- .1 conduct inspections to determine the date or dates of Substantial Completion and the date of final completion;
- .2 issue Certificates of Substantial Completion;
- .3 forward to the Owner, for the Owner's review and records, written warranties and related documents required by the Contract Documents and received from the Contractor; and,

- 4 issue a final Certificate for Payment based upon a final inspection indicating that, to the best of the Architect's knowledge, information, and belief, the Work complies with the requirements of the Contract Documents.

§ 3.6.6.2 The Architect's inspections shall be conducted with the Owner to check conformance of the Work with the requirements of the Contract Documents and to verify the accuracy and completeness of the list submitted by the Contractor of Work to be completed or corrected.

§ 3.6.6.3 When Substantial Completion has been achieved, the Architect shall inform the Owner about the balance of the Contract Sum remaining to be paid the Contractor, including the amount to be retained from the Contract Sum, if any, for final completion or correction of the Work.

§ 3.6.6.4 The Architect shall forward to the Owner the following information received from the Contractor: (1) consent of surety or sureties, if any, to reduction in or partial release of retainage or the making of final payment; (2) affidavits, receipts, releases and waivers of liens, or bonds indemnifying the Owner against liens; and (3) any other documentation required of the Contractor under the Contract Documents.

§ 3.6.6.5 Upon request of the Owner, and prior to the expiration of one year from the date of Substantial Completion, the Architect shall, without additional compensation, conduct a meeting with the Owner to review the facility operations and performance.

ARTICLE 4 SUPPLEMENTAL AND ADDITIONAL SERVICES

§ 4.1 Supplemental Services

§ 4.1.1 The services listed below are not included in Basic Services but may be required for the Project. The Architect shall provide the listed Supplemental Services only if specifically designated in the table below as the Architect's responsibility, and the Owner shall compensate the Architect as provided in Section 11.2. Unless otherwise specifically addressed in this Agreement, if neither the Owner nor the Architect is designated, the parties agree that the listed Supplemental Service is not being provided for the Project.

(Designate the Architect's Supplemental Services and the Owner's Supplemental Services required for the Project by indicating whether the Architect or Owner shall be responsible for providing the identified Supplemental Service. Insert a description of the Supplemental Services in Section 4.1.2 below or attach the description of services as an exhibit to this Agreement.)

Supplemental Services	Responsibility (Architect, Owner, or not provided)
§ 4.1.1.1 Programming	<u>Owner</u>
§ 4.1.1.2 Multiple preliminary designs	<u>Not Provided</u>
§ 4.1.1.3 Measured drawings	<u>Not Provided</u>
§ 4.1.1.4 Existing facilities surveys	<u>Owner</u>
§ 4.1.1.5 Site evaluation and planning	<u>Not Provided</u>
§ 4.1.1.6 Building Information Model management responsibilities	<u>Not Provided</u>
§ 4.1.1.7 Development of Building Information Models for post construction use	<u>Not Provided</u>
§ 4.1.1.8 Civil engineering	<u>Architect</u>
§ 4.1.1.9 Landscape design	<u>Not Provided</u>
§ 4.1.1.10 Architectural interior design	<u>Architect</u>
§ 4.1.1.11 Value analysis	<u>Not Provided</u>
§ 4.1.1.12 Detailed cost estimating beyond that required in Section 6.3	<u>Not Provided</u>
§ 4.1.1.13 On-site project representation	<u>Owner</u>
§ 4.1.1.14 Conformed documents for construction	<u>Not Provided</u>
§ 4.1.1.15 As-designed record drawings	<u>Not Provided</u>
§ 4.1.1.16 As-constructed record drawings	<u>Not Provided</u>

Init.

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User Notes:

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§ 4.1.1.17	Post-occupancy evaluation	<u>Not Provided</u>
§ 4.1.1.18	Facility support services	<u>Owner</u>
§ 4.1.1.19	Tenant-related services	<u>Owner</u>
§ 4.1.1.20	Architect's coordination of the Owner's consultants	<u>Architect</u>
§ 4.1.1.21	Telecommunications/data design	<u>Not Provided</u>
§ 4.1.1.22	Security evaluation and planning	<u>Not Provided</u>
§ 4.1.1.23	Commissioning	<u>Not Provided</u>
§ 4.1.1.24	Sustainable Project Services pursuant to Section 4.1.3Exhibit A	<u>Not Provided</u>
§ 4.1.1.25	Fast-track design services	<u>Not Provided</u>
§ 4.1.1.26	Multiple bid packages	<u>Not Provided</u>
§ 4.1.1.27	Historic preservation	<u>Not Provided</u>
§ 4.1.1.28	Furniture, furnishings, and equipment Furniture design	<u>Not Provided</u>
§ 4.1.1.29	Other services provided by specialty Consultants Energy Modeling	<u>Not Provided</u>
§ 4.1.1.30	Other Supplemental ServicesLife Cycle Cost Analysis and Energy Modeling as Design Tool	<u>Not Provided</u>

§ 4.1.2 Description of Supplemental Services

§ 4.1.2.1 A description of each Supplemental Service identified in Section 4.1.1 as the Architect's responsibility is provided below.provided.

(Describe in detail the Architect's Supplemental Services identified in Section 4.1.1 or, if set forth in an exhibit, identify the exhibit. The AIA publishes a number of Standard Form of Architect's Services documents that can be included as an exhibit to describe the Architect's Supplemental Services.)

~~§ 4.1.2.2 A description of each Supplemental Service identified in Section 4.1.1 as the Owner's responsibility is provided below.~~Refer to Exhibit A

~~*(Describe in detail the Owner's Supplemental Services identified in Section 4.1.1 or, if set forth in an exhibit, identify the exhibit.)*~~

~~§ 4.1.3 If the Owner identified a Sustainable Objective in Article 1, the Architect shall provide, as a Supplemental Service, the Sustainability Services required in AIA Document E204™-2017, Sustainable Projects Exhibit, attached to this Agreement. The Owner shall compensate the Architect as provided in Section 11.2. of the Architect~~

§ 4.2 Architect's Additional Services

The Architect may provide Additional Services after execution of this Agreement without invalidating the Agreement. Except for services required due to the fault of the Architect, any Additional Services provided in accordance with this Section 4.2 shall entitle the Architect to compensation pursuant to Section 11.3 and an appropriate adjustment in the Architect's schedule.

§ 4.2.1 Upon recognizing the need to perform the following Additional Services, the Architect shall notify the Owner with reasonable promptness and explain the facts and circumstances giving rise to the need. The Architect shall not proceed to provide the following Additional Services until the Architect receives the Owner's written authorization:

- .1 Services necessitated by a change in the Initial Information, previous instructions or approvals given by the Owner, or a material change in the Project including size, quality, complexity, the Owner's schedule or budget for Cost of the Work, or procurement or delivery method;
- .2 Services necessitated by the enactment or revision of codes, laws, or regulations, including changing or editing previously prepared Instruments of Service;

- .3 Changing or editing previously prepared Instruments of Service necessitated by official interpretations of applicable codes, laws or regulations that are either (a) contrary to specific interpretations by the applicable authorities having jurisdiction made prior to the issuance of the building permit, or (b) contrary to requirements of the Instruments of Service when those Instruments of Service were prepared in accordance with the applicable standard of care;
- .4 Services necessitated by decisions of the Owner not rendered in a timely manner or any other failure of performance on the part of the Owner or the Owner's consultants or contractors;
- .5 Preparing digital models or other design documentation for transmission to the Owner's consultants and contractors, or to other Owner-authorized recipients;
- .6 Preparation of design and documentation for alternate bid or proposal requests proposed by the Owner;
- .7 Preparation for, and attendance at, a public ~~presentation, meeting or hearing~~;
- .8 Preparation for, and attendance at, a dispute resolution proceeding or legal proceeding, except where the Architect is party thereto;
- .9 Evaluation of the qualifications of entities providing bids or proposals;
- .10 Consultation concerning replacement of Work resulting from fire or other cause during construction; or,
- .11 Assistance to the Initial Decision Maker, if other than the Architect.

§ 4.2.2 To avoid delay in the Construction Phase, the Architect shall provide the following Additional Services, notify the Owner with reasonable promptness, and explain the facts and circumstances giving rise to the need. If, upon receipt of the Architect's notice, the Owner determines that all or parts of the services are not required, the Owner shall give prompt written notice to the Architect of the Owner's determination. The Owner shall compensate the Architect for the services provided prior to the Architect's receipt of the Owner's notice.

- .1 Reviewing a Contractor's submittal out of sequence from the submittal schedule approved by the Architect;
- .2 Responding to the Contractor's requests for information that are not prepared in accordance with the Contract Documents or where such information is available to the Contractor from a careful study and comparison of the Contract Documents, field conditions, other Owner-provided information, Contractor-prepared coordination drawings, or prior Project correspondence or documentation;
- .3 Preparing Change Orders and Construction Change Directives that require evaluation of Contractor's proposals and supporting data, or the preparation or revision of Instruments of Service;
- .4 Evaluating an extensive number of Claims as the Initial Decision Maker; or,
- .5 Evaluating substitutions proposed by the Owner or Contractor and making subsequent revisions to Instruments of Service resulting therefrom.

§ 4.2.3 The Architect shall provide Construction Phase Services exceeding the limits set forth below as Additional Services. When the limits below are reached, the Architect shall notify the Owner:

- .1 Two (2) reviews of each Shop Drawing, Product Data item, sample and similar submittals of the Contractor
- .2 To be determined in a future proposal for services related to Design and Construction based on Project Scope. () visits to the site by the Architect during construction
- .3 Two (2) inspections for any portion of the Work to determine whether such portion of the Work is substantially complete in accordance with the requirements of the Contract Documents
- .4 Two (2) inspections for any portion of the Work to determine final completion.

§ 4.2.4 Except for services required under Section 3.6.6.5 and those services that do not exceed the limits set forth in Section 4.2.3, Construction Phase Services provided more than 60 days after (1) the date of Substantial Completion of the Work or (2) the initial date of Substantial Completion identified in the agreement between the Owner and Contractor, whichever is earlier, shall be compensated as Additional Services to the extent the Architect incurs additional cost in providing those Construction Phase Services.

§ 4.2.5 If the services covered by this Agreement have not been completed within sixty (60) months of the date of this Agreement, through no fault of the Architect, extension of the Architect's services beyond that time shall be compensated as Additional Services.

ARTICLE 5 OWNER'S RESPONSIBILITIES

§ 5.1 Unless otherwise provided for under this Agreement, the Owner shall provide information in a timely manner regarding requirements for and limitations on the Project, including a written program, which shall set forth the Owner's objectives; schedule; constraints and criteria, including space requirements and relationships; flexibility; expandability; special equipment; systems; and site requirements.

§ 5.1.1 The Architect may use such information, requirements, reports, data, surveys and instructions in performing its services and is entitled to rely upon the accuracy and completeness thereof. The Architect shall not be held responsible for any errors or omissions that may arise as a result of erroneous or incomplete information provided by the Owner and/or the Owner's consultants and contractors.

§ 5.2 The Owner shall establish the Owner's budget for the Project, including (1) the budget for the Cost of the Work as defined in Section 6.1; (2) the Owner's other costs; and, (3) reasonable contingencies related to all of these costs. The Owner shall update the Owner's budget for the Project as necessary throughout the duration of the Project until final completion. If the Owner significantly increases or decreases the Owner's budget for the Cost of the Work, the Owner shall notify the Architect. The Owner and the Architect shall thereafter agree to a corresponding change in the Project's scope and quality.

§ 5.3 The Owner shall identify a representative authorized to act on the Owner's behalf with respect to the Project. The Owner shall render decisions and approve the Architect's submittals in a timely manner in order to avoid unreasonable delay in the orderly and sequential progress of the Architect's services.

§ 5.4 The Owner shall furnish surveys to describe physical characteristics, legal limitations and utility locations for the site of the Project, and a written legal description of the site. The surveys and legal information shall include, as applicable, grades and lines of streets, alleys, pavements and adjoining property and structures; designated wetlands; adjacent drainage; rights-of-way, restrictions, easements, encroachments, zoning, deed restrictions, boundaries and contours of the site; locations, dimensions, and other necessary data with respect to existing buildings, other improvements and trees; and information concerning available utility services and lines, both public and private, above and below grade, including inverts and depths. All the information on the survey shall be referenced to a Project benchmark.

§ 5.5 The Owner shall furnish services of geotechnical engineers, which may include test borings, test pits, determinations of soil bearing values, percolation tests, evaluations of hazardous materials, seismic evaluation, ground corrosion tests and resistivity tests, including necessary operations for anticipating subsoil conditions, with written reports and appropriate recommendations.

§ 5.6 The Owner shall provide the Supplemental Services designated as the Owner's responsibility in Section 4.1.1.

§ 5.7 If the Owner identified a Sustainable Objective in Article 1, the Owner shall fulfill its responsibilities as required in AIA Document E204™–2017, Sustainable Projects Exhibit, attached to this Agreement.

§ 5.8 The Owner shall coordinate the services of its own consultants with those services provided by the Architect. Upon the Architect's request, the Owner shall furnish copies of the scope of services in the contracts between the Owner and the Owner's consultants. The Owner shall furnish the services of consultants other than those designated as the responsibility of the Architect in this Agreement, or authorize the Architect to furnish them as an Additional Service, when the Architect requests such services and demonstrates that they are reasonably required by the scope of the Project. The Owner shall require that its consultants and contractors maintain insurance, including professional liability insurance, as appropriate to the services or work provided.

§ 5.9 The Owner shall furnish tests, inspections and reports required by law or the Contract Documents, such as structural, mechanical, and chemical tests, tests for air and water pollution, and tests for hazardous materials.

§ 5.10 The Owner shall furnish all legal, insurance and accounting services, including auditing services, that may be reasonably necessary at any time for the Project to meet the Owner's needs and interests.

§ 5.11 The Owner shall provide prompt written notice to the Architect if the Owner becomes aware of any fault or defect-defect(s) or suspected defect(s) in the Project, including errors, omissions or inconsistencies in the Architect's

Instruments of Service. Service or in the Architect's professional services, so that the Architect may be afforded the opportunity to address such alleged fault or defect(s). Failure by the Owner to promptly notify the Architect in writing of the discovery or suspicion of such fault or defect(s) shall relieve the Architect of liability for any damages caused by the fault or defect(s) in excess of the damages that would have been incurred if the Owner had given prompt notification to the Architect when such fault or defect(s) were first discovered or suspected by the Owner, and the Architect had promptly corrected such fault or defect(s). Nothing herein shall be deemed a duty on the part of the Owner to inspect or discover errors by the Architect.

§ 5.12 The Owner shall include the Architect in all communications with the Contractor that relate to or affect the Architect's services or professional responsibilities. The Owner shall promptly notify the Architect of the substance of any direct communications between the Owner and the Contractor otherwise relating to the Project. Communications by and with the Architect's consultants shall be through the Architect.

§ 5.13 Before executing the Contract for Construction, the Owner shall coordinate the Architect's duties and responsibilities set forth in the Contract for Construction with the Architect's services set forth in this Agreement. The Owner shall provide the Architect a copy of the executed agreement between the Owner and Contractor, including the General Conditions of the Contract for Construction.

§ 5.14 The Owner shall provide the Architect access to the Project site prior to commencement of the Work and shall obligate the Contractor to provide the Architect access to the Work wherever it is in preparation or progress.

§ 5.15 Within 15 days after receipt of a written request from the Architect, the Owner shall furnish the requested information as necessary and relevant for the Architect to evaluate, give notice of, or enforce lien rights.

§ 5.16 The Owner acknowledges that accelerated, phased or fast-track scheduling provides a benefit for the Owner, but also carries with it associated risks. Such risks include, but are not limited to, the Owner incurring costs for the Architect to coordinate and redesign portions of the Project affected by procuring or installing elements of the Project prior to the completion of all relevant Construction Documents, and costs for the Contractor to remove and replace previously installed Work. If the Owner selects accelerated, phased or fast-track scheduling, the Owner agrees to include in the budget for the Project sufficient contingencies to cover such costs.

§ 5.17 The Architect shall be entitled to rely upon the proper performance by the Owner's Representative (OR) of the items on the DR&A list (a list of duties, responsibilities and authority) and shall bear no responsibility to the Owner or its representative(s) for any opinions, directions, or decisions given by the Owner and OR.

§ 5.18 If the Owner retains the services of a Value Engineer (VE), or similar entity, to review the plans prepared by the Architect, these services shall be at the Owner's sole expense and shall be performed in a timely manner so as not to delay the orderly progress of the Architect's services. All recommendations of the VE shall be given to the Architect for review, and adequate time shall be provided for the Architect to respond to these recommendations. If the Architect objects to any recommendations made by the VE, it shall so state in writing to the Owner, along with the reasons for objecting. If the Owner, despite the Architect's objections, requires the incorporation of changes in the Construction Documents, the Owner agrees, to the fullest extent permitted by law, to waive all claims against the Architect which arise in connection with or as a result of the incorporation of such design changes required by the Owner.

§ 5.19 The 179D tax deduction incentivizes building owners and designers for designing energy-efficient building systems, including lighting, HVAC, and building envelope components. Since government entities do not pay taxes, this deduction is not available to you, the Owner. Current tax code allows for this deduction to be allocated to the Architect on eligible projects to help incentivize energy-efficient building design. Per the Department of Treasury, the Architect shall not have to pay a fee or allocate any portion of the potential deductions to the Owner to receive an allocation letter. The Owner further recognizes that the Architect, unless they opt-out, is the only entity eligible to pursue such allocations in accordance with 26 U.S. Code §179D, which reads in part, "The allocation of the deduction [is] to the person primarily responsible for designing the property in lieu of the owner of such property." To ensure compliance with the U.S. Code, the Owner agrees to sign such an allocation letter after receiving a request from the Architect to do so. A 'SAMPLE' allocation letter is referenced in Exhibit X. The Architect shall be responsible for obtaining and procuring a letter of certification from a third-party entity who will perform the

required energy modeling and conduct a physical site visit of the Project, and the Architect shall also be responsible for any certification fees and distribution of deductions ultimately approved by the IRS.

ARTICLE 6 COST OF THE WORK

§ 6.1 For purposes of this Agreement, the Cost of the Work shall be the total cost to the Owner to construct all elements of the Project designed or specified by the Architect and shall include contractors' general conditions costs, overhead and profit. The Cost of the Work also includes the reasonable value of labor, materials, and equipment, donated to, or otherwise furnished by, the Owner. The Cost of the Work does not include the compensation of the Architect; the costs of the land, rights-of-way, financing, or contingencies for changes in the Work; or other costs that are the responsibility of the Owner.

§ 6.2 The Owner's budget for the Cost of the Work is provided in Initial Information, and shall be adjusted throughout the Project as required under Sections 5.2, 6.4 and 6.5. Evaluations of the Owner's budget for the Cost of the Work, and the preliminary estimate of the Cost of the Work and updated estimates of the Cost of the Work, prepared by the Architect, represent the Architect's judgment as a design professional. It is recognized, however, that neither the Architect nor the Owner has control over the cost of labor, materials, or equipment; the Contractor's methods of determining bid prices; or competitive bidding, market, or negotiating conditions. Accordingly, the Architect cannot and does not warrant or represent that bids or negotiated prices will not vary from the Owner's budget for the Cost of the Work, or from any estimate of the Cost of the Work, or evaluation, prepared or agreed to by the Architect.

§ 6.3 In preparing estimates of the Cost of Work, the Architect shall be permitted to include contingencies for design, bidding, and price escalation; to determine what materials, equipment, component systems, and types of construction are to be included in the Contract Documents; to recommend reasonable adjustments in the program and scope of the Project; and to include design alternates as may be necessary to adjust the estimated Cost of the Work to meet the Owner's budget. The Architect's estimate of the Cost of the Work shall be based on current area, volume or similar conceptual estimating techniques. If the Owner requires a detailed estimate of the Cost of the Work, the Architect shall provide such an estimate, if identified as the Architect's responsibility in Section 4.1.1, as a Supplemental Service.

§ 6.4 ~~If, through no fault of the Architect,~~ If the Procurement Phase has not commenced within 90 days after the Architect submits the Construction Documents to the Owner, the Owner's budget for the Cost of the Work shall be adjusted to reflect changes in the general level of prices in the applicable construction market.

§ 6.5 If at any time the Architect's estimate of the Cost of the Work exceeds the Owner's budget for the Cost of the Work, the Architect shall make appropriate recommendations to the Owner to adjust the Project's size, quality, or budget for the Cost of the Work, and the Owner shall cooperate with the Architect in making such adjustments.

§ 6.6 If the Owner's budget for the Cost of the Work at the conclusion of the Construction Documents Phase Services is exceeded by the lowest bona fide bid or negotiated proposal, the Owner shall

- .1 give written approval of an increase in the budget for the Cost of the Work;
- .2 authorize rebidding or renegotiating of the Project within a reasonable time;
- .3 terminate in accordance with Section 9.5;
- .4 in consultation with the Architect, revise the Project program, scope, or quality as required to reduce the Cost of the Work; or,
- .5 implement any other mutually acceptable alternative.

§ 6.7 If the Owner chooses to proceed under Section 6.6.4, the Architect shall modify the Construction Documents as necessary to comply with the Owner's budget for the Cost of the Work at the conclusion of the Construction Documents Phase Services, or the budget as adjusted under Section 6.6.1. If the Owner requires the Architect to modify the Construction Documents because the lowest bona fide bid or negotiated proposal exceeds the Owner's budget for the Cost of the Work due to market conditions the Architect could not reasonably anticipate, the Owner shall compensate the Architect for the modifications as an Additional Service pursuant to Section 11.3; otherwise the Architect's services for modifying the Construction Documents shall be without additional compensation. In any event, the Architect's modification of the Construction Documents shall be the limit of the Architect's responsibility under this Article 6.

§ 6.8 For existing facilities inasmuch as the renovation of an existing building requires that certain assumptions be made regarding existing conditions, the Architect shall not be responsible for additional construction cost or other damages due to hidden conditions in an existing facility which are uncovered during the progress of the construction, and which could not have been reasonably anticipated or known.

ARTICLE 7 COPYRIGHTS AND LICENSES

§ 7.1 The Architect and the Owner warrant agree that in transmitting Instruments of Service, or any other information, the transmitting party is the copyright owner of such information or has permission from the copyright owner to transmit such information for its use on the Project.

§ 7.2 The Architect and the Architect's consultants shall be deemed the authors and owners of their respective Instruments of Service, including the Drawings and Specifications, and shall retain all common law, statutory and other reserved rights, including copyrights. Submission or distribution of Instruments of Service to meet official regulatory requirements or for similar purposes in connection with the Project is not to be construed as publication in derogation of the reserved rights of the Architect and the Architect's consultants. Under no circumstances shall the transfer of ownership of the Drawings, Specifications, electronic data or other Instruments of Service be deemed to be a sale by the Architect, and the Architect makes no warranties, express or implied, of merchantability or of fitness for a particular purpose.

§ 7.3 The Architect grants to the Owner a nonexclusive license to use the Architect's Instruments of Service solely and exclusively for purposes of constructing, using, maintaining, altering and adding to the Project, provided that the Owner substantially performs its obligations under this Agreement, including prompt payment of all sums due pursuant to Article 9 and Article 11. The Architect shall obtain similar nonexclusive licenses from the Architect's consultants consistent with this Agreement. The license granted under this section permits the Owner to authorize the Contractor, Subcontractors, Sub-subcontractors, and suppliers, as well as the Owner's consultants and separate contractors, to reproduce applicable portions of the Instruments of Service, subject to any protocols established pursuant to Section 1.3, solely and exclusively for use in performing services or construction for the Project. If the Architect rightfully terminates this Agreement for cause as provided in Section 9.4, the license granted in this Section 7.3 shall terminate.
7.2 Upon full payment of all sums due or anticipated to be due the Architect under this Agreement and upon performance of all the Owner's obligations under this Agreement, the latest original Drawings, Specifications and the latest electronic data prepared by the Architect for the Project shall become the property of the Owner. This conveyance shall not deprive the Architect of the right to retain electronic data or other reproducible copies of the Drawings and Specifications or the right to reuse information contained in them in the normal course of the Architect's professional activities.

§ 7.3.1 In the event the Owner uses the Instruments of Service without retaining the authors of the Instruments of Service, the Owner releases the Architect and Architect's consultant(s) from all claims and causes of action arising from such uses. The Owner, to the extent permitted by law, further agrees to indemnify and hold harmless the Architect and its consultants from all costs and expenses, including the cost of defense, related to claims and causes of action asserted by any third person or entity to the extent such costs and expenses arise from the Owner's use of the Instruments of Service under this Section 7.3.1. The terms of this Section 7.3.1 shall not apply if the Owner rightfully terminates this Agreement for cause under Section 9.4.

§ 7.4 Except for the licenses granted in this Article 7, no other license or right shall be deemed granted or implied under this Agreement. The Owner shall not assign, delegate, sublicense, pledge or otherwise transfer any license granted herein to another party without the prior written agreement of the Architect. Any unauthorized use of the Instruments of Service shall be at the Owner's sole risk and without liability to the Architect and the Architect's consultants.

§ 7.5 Except as otherwise stated in Section 7.3, the provisions of this Article 7 shall survive the termination of this Agreement.

§ 7.6 The Owner is aware that differences may exist between the electronic files delivered and the printed hard-copy construction documents. In the event of a conflict between the signed and sealed construction documents prepared by the Architect and the electronic files, the signed and sealed hard-copy construction documents shall govern.

ARTICLE 8 CLAIMS AND DISPUTES

§ 8.1 General

§ 8.1.1 The Owner and Architect shall commence all claims and causes of ~~action~~ action, including indemnity and any statutes of limitations and repose, against the other and arising out of or related to this Agreement, whether in contract, tort, or otherwise, in accordance with the requirements of the binding dispute resolution method selected in this Agreement and within the period specified by applicable law, but in any case not more than ~~10~~ 5 years after the date of Substantial Completion of the Work. The Owner and Architect waive all claims and causes of action not commenced in accordance with this Section 8.1.1.

§ 8.1.2 To the extent damages are covered and actually compensated by property insurance, the Owner and Architect waive all rights against each other and against the contractors, consultants, agents, and employees of the other for damages, except such rights as they may have to the proceeds of such insurance as set forth in AIA Document A201–2017, General Conditions of the Contract for Construction. The Owner or the Architect, as appropriate, shall require of the contractors, consultants, agents, and employees of any of them, similar waivers in favor of the other parties enumerated herein.

§ 8.1.3 The Architect and Owner waive consequential damages for claims, disputes, or other matters in question, arising out of or relating to this Agreement. This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination of this ~~Agreement~~, except as specifically provided in Section 9.7-Agreement.

§ 8.2 Mediation

§ 8.2.1 Any claim, dispute or other matter in question arising out of or related to this Agreement shall be subject to mediation as a condition precedent to binding dispute ~~resolution~~ resolution provided that any claim by Architect shall be submitted in accordance with Va. Code Section 2.2-4363. If such matter relates to or is the subject of a lien arising out of the Architect's services, the Architect may proceed in accordance with applicable law to comply with the lien notice or filing deadlines prior to resolution of the matter by mediation or by binding dispute resolution.

§ 8.2.2 The Owner and Architect shall endeavor to resolve claims, disputes and other matters in question between them by ~~mediation, which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Mediation Procedures in effect on the date of this Agreement~~ mediation. A request for mediation shall be made in writing, delivered to the other party to this Agreement, and filed with the person or entity administering the mediation. The request may be made concurrently with the filing of a complaint or other appropriate demand for binding dispute resolution but, in such event, mediation shall proceed in advance of binding dispute resolution proceedings, which shall be stayed pending mediation for a period of 60 days from the date of filing, unless stayed for a longer period by agreement of the parties or court order. ~~If an arbitration proceeding is stayed pursuant to this section, the parties may nonetheless proceed to the selection of the arbitrator(s) and agree upon a schedule for later proceedings.~~

§ 8.2.3 The parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

§ 8.2.4 If the parties do not resolve a dispute through mediation pursuant to this Section 8.2, the method of binding dispute resolution shall be the following:
(Check the appropriate box.)

☐ Arbitration pursuant to Section 8.3 of this Agreement

☒ Litigation in a court of competent jurisdiction

☐ Other: (Specify)

If the Owner and Architect do not select a method of binding dispute resolution, or do not subsequently agree in writing to a binding dispute resolution method other than litigation, the dispute will be resolved in a court of competent jurisdiction.

§ 8.3 Arbitration

§ 8.3.1 If the parties have selected arbitration as the method for binding dispute resolution in this Agreement, any claim, dispute or other matter in question arising out of or related to this Agreement subject to, but not resolved by, mediation shall be subject to arbitration, which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Arbitration Rules in effect on the date of this Agreement. A demand for arbitration shall be made in writing, delivered to the other party to this Agreement, and filed with the person or entity administering the arbitration.

§ 8.3.1.1 A demand for arbitration shall be made no earlier than concurrently with the filing of a request for mediation, but in no event shall it be made after the date when the institution of legal or equitable proceedings based on the claim, dispute or other matter in question would be barred by the applicable statute of limitations. For statute of limitations purposes, receipt of a written demand for arbitration by the person or entity administering the arbitration shall constitute the institution of legal or equitable proceedings based on the claim, dispute or other matter in question.

§ 8.3.2 The foregoing agreement to arbitrate, and other agreements to arbitrate with an additional person or entity duly consented to by parties to this Agreement, shall be specifically enforceable in accordance with applicable law in any court having jurisdiction thereof.

§ 8.3.3 The award rendered by the arbitrator(s) shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

§ 8.3.4 Consolidation or Joinder

§ 8.3.4.1 Either party, at its sole discretion, may consolidate an arbitration conducted under this Agreement with any other arbitration to which it is a party provided that (1) the arbitration agreement governing the other arbitration permits consolidation; (2) the arbitrations to be consolidated substantially involve common questions of law or fact; and (3) the arbitrations employ materially similar procedural rules and methods for selecting arbitrator(s).

§ 8.3.4.2 Either party, at its sole discretion, may include by joinder persons or entities substantially involved in a common question of law or fact whose presence is required if complete relief is to be accorded in arbitration, provided that the party sought to be joined consents in writing to such joinder. Consent to arbitration involving an additional person or entity shall not constitute consent to arbitration of any claim, dispute or other matter in question not described in the written consent.

§ 8.3.4.3 The Owner and Architect grant to any person or entity made a party to an arbitration conducted under this Section 8.3, whether by joinder or consolidation, the same rights of joinder and consolidation as the Owner and Architect under this Agreement.

§ 8.4 The provisions of this Article 8 shall survive the termination of this Agreement.

ARTICLE 9 TERMINATION OR SUSPENSION

§ 9.1 If the Owner fails to make payments to the Architect in accordance with this Agreement, such failure shall be considered substantial nonperformance and cause for termination or, at the Architect's option, cause for suspension of performance of services under this Agreement. If the Architect elects to suspend services, the Architect shall give seven days' written notice to the Owner before suspending services. In the event of a suspension of services, the Architect shall have no liability to the Owner for delay or damage caused the Owner because of such suspension of services. Before resuming services, the Owner shall pay the Architect all sums due prior to suspension and any expenses incurred in the interruption and resumption of the Architect's services. The Architect's fees for the remaining services and the time schedules shall be equitably adjusted.

§ 9.2 If the Owner suspends the Project, the Architect shall be compensated for services performed prior to notice of such suspension. When the Project is resumed, the Architect shall be compensated for expenses incurred in the

interruption and resumption of the Architect's services. The Architect's fees for the remaining services and the time schedules shall be equitably adjusted.

§ 9.3 If the Owner suspends the Project for more than 90 cumulative days for reasons other than the fault of the Architect, the Architect may terminate this Agreement by giving not less than seven days' written notice.

§ 9.4 Either party may terminate this Agreement upon not less than seven days' written notice should the other party fail substantially to perform in accordance with the terms of this Agreement through no fault of the party initiating the termination.

§ 9.5 The Owner may terminate this Agreement upon not less than seven days' written notice to the Architect for the Owner's convenience and without cause.

§ 9.6 If the Owner terminates this Agreement for its convenience pursuant to Section 9.5, or the Architect terminates this Agreement pursuant to Section 9.3, the Owner shall compensate the Architect for services performed prior to termination, Reimbursable Expenses incurred, and costs attributable to termination, including the costs attributable to the Architect's termination of consultant agreements. termination including Reimbursable Expenses then due.

§ 9.7 In addition to any amounts paid under Section 9.6, if the Owner terminates this Agreement for its convenience pursuant to Section 9.5, or the Architect terminates this Agreement pursuant to Section 9.3, the Owner shall pay to the Architect the following fees:

(Set forth below the amount of any termination or licensing fee, or the method for determining any termination or licensing fee.)

.1— Termination Fee:

.2— Licensing Fee if the Owner intends to continue using the Architect's Instruments of Service:

§ 9.8 Except as otherwise expressly provided herein, this Agreement shall terminate one year from the date of Substantial Completion.

§ 9.9 The Owner's rights to use the Architect's Instruments of Service in the event of a termination of this Agreement are set forth in Article 7 and ~~Section 9.7.~~

ARTICLE 10 MISCELLANEOUS PROVISIONS

§ 10.1 This Agreement shall be governed by the law of the place where the Project is located, ~~excluding that jurisdiction's choice of law rules. If the parties have selected arbitration as the method of binding dispute resolution, the Federal Arbitration Act shall govern Section 8.3.~~ located.

§ 10.2 Terms in this Agreement shall have the same meaning as those in AIA Document A201–2017, General Conditions of the Contract for Construction. No headings or numbering of Sections or Paragraphs in This Agreement shall be interpreted or construed to change or modify the duties and obligations of Owner or Architect.

§ 10.3 The Owner and Architect, respectively, bind themselves, their agents, successors, assigns, and legal representatives to this Agreement. Neither the Owner nor the Architect shall assign this Agreement without the written consent of the other, ~~except that the Owner may assign this Agreement to a lender providing financing for the Project if the lender agrees to assume the Owner's rights and obligations under this Agreement, including any payments due to the Architect by the Owner prior to the assignment.~~ other.

§ 10.4 ~~If Pursuant to 10.11, if~~ the Owner requests the Architect to execute certificates, the proposed language of such certificates shall be submitted to the Architect for review at least 14 days prior to the requested dates of execution. If the Owner requests the Architect to execute consents reasonably required to facilitate assignment to a lender, the Architect shall execute all such consents that are consistent with this Agreement, provided the proposed consent is submitted to the Architect for review at least 14 days prior to execution. The Architect shall not be required to

execute certificates or consents that would require knowledge, services, or responsibilities beyond the scope of this Agreement.

§ 10.5 Nothing contained in this Agreement shall create a contractual ~~relationship with,~~ relationship, third-party rights or benefits, with or a cause of action in favor of, ~~a third party of a third party person or entity~~ against either the Owner or the Architect. The Architect's services, Instruments of Service, and work product required under this Agreement are being performed and are intended solely for the Owner's use and benefit.

§ 10.6 ~~Unless otherwise required in this Agreement, the~~ The Architect shall have no responsibility for the discovery, presence, handling, removal or disposal of, or exposure of persons to, hazardous materials or toxic substances in any form at the Project site.

§ 10.7 The Architect shall have the right to include photographic or artistic representations of the design of the Project among the Architect's promotional and professional materials. The Architect shall be given reasonable access to the completed Project to make such representations. However, the Architect's materials shall not include the Owner's confidential or proprietary information if the Owner has previously advised the Architect in writing of the specific information considered by the Owner to be confidential or proprietary. The Owner shall provide professional credit for the Architect in the Owner's promotional materials for the Project. This Section 10.7 shall survive the termination of this Agreement unless the Owner terminates this Agreement for cause pursuant to Section 9.4.

§ 10.8 If the Architect or Owner receives information specifically designated as "confidential" or "business proprietary," the receiving party shall keep such information strictly confidential and shall not disclose it to any other person except to (1) its employees, (2) those who need to know the content of such information in order to perform services or construction solely and exclusively for the Project, (3) its consultants and contractors whose contracts include similar restrictions on the use of confidential information, or (4) as set forth in Section 10.8.1. This Section 10.8 shall survive the termination of this Agreement.

§ 10.8.1 The receiving party may disclose "confidential" or "business proprietary" information after 7 days' notice to the other party, when required by law, arbitrator's order, or court order, including a subpoena or other form of compulsory legal process issued by a court or governmental entity, or to the extent such information is reasonably necessary for the receiving party to defend itself in any dispute. The parties recognize that Owner is an entity subject to the Virginia Freedom of Information Act ("FOIA") and agree that any disclosure of confidential or proprietary information required by Virginia public records laws shall not be a violation of this Agreement. Architect shall designate any of its confidential or proprietary information provided to Owner in accordance with FOIA requirements. The receiving party may also disclose such information to its employees, consultants, or contractors in order to perform services or work solely and exclusively for the Project, provided those employees, consultants and contractors are subject to the restrictions on the disclosure and use of such information as set forth in this Section 10.8. The parties recognize that Owner is an entity subject to the Virginia Freedom of Information Act ("FOIA") and agree that any disclosure of confidential or proprietary information required by Virginia public records laws shall not be a violation of this Agreement. Architect shall designate any of its confidential or proprietary information provided to Owner in accordance with FOIA requirements.

§ 10.9 The invalidity of any provision of the Agreement shall not invalidate the Agreement or its remaining provisions. If it is determined that any provision of the Agreement violates any law, or is otherwise invalid or unenforceable, then that provision shall be revised to the extent but only to the extent necessary to make that provision legal and enforceable. In such case the Agreement shall be construed, to the fullest extent permitted by law, to give effect to the parties' intentions and purposes in executing the Agreement.

§ 10.10 If, due to the Architect's negligence, a required item or component of the Project is omitted from the Architect's construction documents, the Architect shall not be responsible for paying the cost required to add such item or component to the extent that such item or component would have been required and included in the original construction documents. In no event will the Architect be responsible for any cost or expense that provides betterment or upgrades or enhances the value of the Project.

§ 10.11 The Architect shall not be required to sign any documents that would result in the Architect having to certify, guarantee or warrant the existence of conditions whose existence the Architect cannot ascertain, or that in any way might increase the Architect's risk or the availability or cost of its insurance.

§ 10.12 The Architect agrees to maintain all documents, including electronic documents, related to the Project for a period of not less than seven (7) years, in a reasonably accessible manner consistent with the Architect's internal document retention policy.

§ 10.13 The section headings used in this Agreement are intended principally for convenience and shall not be used in interpreting this Agreement or in determining any of the rights or obligations of the parties to this Agreement.

ARTICLE 11 COMPENSATION

§ 11.1 For the Architect's ~~Basic Services described under Article 3, Services described herein,~~ the Owner shall compensate the Architect as follows:

.1 Stipulated Sum
(Insert amount)

.2 ~~Percentage Basis~~
~~(Insert percentage value)~~

~~() % of the Owner's budget for the Cost of the Work, as calculated in accordance with Section 11.6.~~
Compensation for these services shall be the lump sum of One Hundred Eight Thousand, Four Hundred Twelve and 00/100 Dollars (\$108,412.00), to be allocated as follows:

.3 ~~Other~~

Facility Condition Assessment:	\$64,592.00
Space Needs Assessment:	\$19,232.00
Conceptual Design/Final Report:	\$24,588.00
Total:	\$108,412.00

~~(Describe the method of compensation)~~

§ 11.2 For the Architect's ~~Supplemental Services designated in Section 4.1.1 and for any Sustainability Services required pursuant to Section 4.1.3,~~ the Owner shall compensate the Architect as follows:
~~(Insert amount of, or basis for, compensation. If necessary, list specific services to which particular methods of compensation apply.)~~ Not Used

§ 11.3 For Additional Services that may arise during the course of the Project, including those under Section 4.2, the Owner shall compensate the Architect as follows:
(Insert amount of, or basis for, compensation.)

As mutually agreed as Additional Services are required.

§ 11.4 Compensation for Supplemental and Additional Services of the Architect's consultants when not included in Section 11.2 or 11.3, shall be the amount invoiced to the Architect plus twenty percent (20 %), or as follows:
(Insert amount of, or basis for computing, Architect's consultants' compensation for Supplemental or Additional Services.)

§ 11.5 ~~When compensation for Basic Services is based on a stipulated sum or a percentage basis, the~~ If Owner elects to proceed with further services, Architect's compensation shall be allocated in accordance with this section.

The proportion of compensation for each phase of services shall be as follows:

<u>Schematic Design Phase</u>	<u>15%</u>			
<u>Design Development Phase</u>	<u>20%</u>			
<u>Construction Documents Phase</u>	<u>40%</u>			
<u>Procurement Phase</u>	<u>05%</u>			
<u>Construction Phase</u>	<u>20%</u>			
<u>Total Basic Compensation</u>	<u>100%</u>			
 Schematic Design Phase	-	percent - (	-	%)
Design Development Phase	-	percent - (	-	%)
Construction Documents Phase	-	percent - (	-	%)
Procurement Phase	-	percent - (	-	%)
Construction Phase	-	percent - (	-	%)
-				
Total Basic Compensation	one hundred	percent - (	100	%)

§ 11.6 When compensation identified in Section 11.1 is on a percentage basis, progress payments for each phase of Basic Services shall be calculated by multiplying the percentages identified in this Article by the Owner's most recent budget for the Cost of the Work. Compensation paid in previous progress payments shall not be adjusted based on subsequent updates to the Owner's budget for the Cost of the Work.

§ 11.6.1 When compensation is on a percentage basis and any portions of the Project are deleted or otherwise not constructed, compensation for those portions of the Project shall be payable to the extent services are performed on those portions. The Architect shall be entitled to compensation in accordance with this Agreement for all services performed whether or not the Construction Phase is commenced.

§ 11.7 The hourly billing rates for services of the Architect and the Architect's consultants are set forth below. The rates shall be adjusted in accordance with the Architect's and Architect's consultants' normal review practices. (If applicable, attach an exhibit of hourly billing rates or insert them below.)

<u>Schedule of Hourly Billing Rates Calendar Year 2025</u>	
<u>Principals</u>	<u>\$264</u>
<u>Architects</u>	
<u>Senior Project Manager</u>	<u>\$246</u>
<u>Project Manager</u>	<u>\$193</u>
<u>Architect</u>	<u>\$185</u>
<u>Project Designer</u>	<u>\$123</u>
 <u>Security and Detention Design</u>	
<u>Security Design Specialist</u>	<u>\$233</u>
 <u>Moseley Engineering Director</u>	<u>\$264</u>
 <u>Moseley Mechanical/Electrical/Plumbing/Engineering</u>	
<u>Senior Engineer</u>	<u>\$216</u>
<u>Engineer/Designer</u>	<u>\$177</u>
<u>Intern Technician</u>	<u>\$123</u>
 <u>Moseley Structural Engineering</u>	
<u>Senior Engineer</u>	<u>\$193</u>
<u>Engineer/Designer</u>	<u>\$161</u>
<u>Intern Technician</u>	<u>\$123</u>

Init.

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User Notes:

(3B9ADA3F)

<u>Moseley Interior Design</u>	
<u>Interior Design Director</u>	<u>\$216</u>
<u>Senior Interior Designer</u>	<u>\$145</u>
<u>Project Interior Designer</u>	<u>\$123</u>
 <u>Corrections Planner</u>	 <u>\$264</u>
 <u>Criminal Justice Consultant</u>	 <u>\$210</u>
 <u>Construction Administration</u>	
<u>Construction Administrator</u>	<u>\$185</u>
 <u>Specification Writer</u>	 <u>\$185</u>
 <u>Sustainability Planning</u>	
<u>Sustainability Planning Director</u>	<u>\$216</u>
 <u>Energy Analyst</u>	 <u>\$181</u>
<u>Sustainability Coordinator</u>	<u>\$161</u>
 <u>Administrative</u>	 <u>\$85</u>

Rates are subject to change on January 1 of each year

Employee or Category	Rate (\$0.00)
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§ 11.8 Compensation for Reimbursable Expenses

§ 11.8.1 Reimbursable Expenses are in addition to compensation for Basic, Supplemental, and Additional Services and include expenses incurred by the Architect and the Architect's consultants directly related to the Project, as follows:

- .1 Transportation and authorized out-of-town travel and subsistence;
- .2 Long distance services, dedicated data and communication services, teleconferences, Project web sites, and extranets;
- .3 Permitting and other fees required by authorities having jurisdiction over the Project;
- .4 Printing, reproductions, plots, and standard form documents;
- .5 Postage, handling, and delivery;
- .6 ~~Expense of overtime work requiring higher than regular rates, if authorized in advance by the Owner;~~
- .7 Renderings, physical models, mock-ups, professional photography, and presentation materials requested by the Owner or required for the ~~Project~~Project (unless specifically included in the Basic or Supplemental Services);
- .8 If required by the Owner, and with the Owner's prior written approval, the Architect's consultants' expenses of professional liability insurance dedicated exclusively to this Project, or the expense of additional insurance coverage or limits in excess of that normally maintained by the Architect's consultants;
- .9 ~~All taxes levied on professional services and on reimbursable expenses;~~
- .10 Site office expenses;
- .11 Registration fees and any other fees charged by the Certifying Authority or by other entities as necessary to achieve the Sustainable Objective; and,
- .12 Other similar Project-related expenditures.

§ 11.8.2 For Reimbursable Expenses the compensation shall be the expenses incurred by the Architect and the Architect's consultants plus ten percent (10 %) of the expenses incurred.

§ 11.9 Architect's Insurance. If the types and limits of coverage required in Section 2.5 are in addition to the types and limits the Architect normally maintains, the Owner shall pay the Architect for the additional costs incurred by the Architect for the additional coverages as set forth below:

(Insert the additional coverages the Architect is required to obtain in order to satisfy the requirements set forth in Section 2.5, and for which the Owner shall reimburse the Architect.)

§ 11.10 Payments to the Architect

§ 11.10.1 Initial Payments

§ 11.10.1.1 An initial payment of ~~(\$)~~ shall be made upon execution of this Agreement and is the minimum payment under this Agreement. It shall be credited to the Owner's account in the final invoice.

§ 11.10.1.2 If a Sustainability Certification is part of the Sustainable Objective, an initial payment to the Architect of ~~(\$)~~ shall be made upon execution of this Agreement for registration fees and other fees payable to the Certifying Authority and necessary to achieve the Sustainability Certification. The Architect's payments to the Certifying Authority shall be credited to the Owner's account at the time the expense is incurred.

§ 11.10.2 Progress Payments

§ 11.10.2.1 Unless otherwise agreed, payments for services shall be made monthly in proportion to services performed. Payments are due and payable upon presentation of the Architect's invoice. Amounts unpaid thirty (30) days after the invoice date shall bear interest at the rate entered below, or in the absence thereof at the legal rate prevailing from time to time at the principal place of business of the Architect.

(Insert rate of monthly or annual interest agreed upon.)

12 % twelve percent per annum

§ 11.10.2.2 The Owner shall not withhold amounts from the Architect's compensation to impose a penalty or liquidated damages on the Architect, or to offset sums requested by or paid to contractors for the cost of changes in the Work, unless the Architect agrees or has been found liable for the amounts in a binding and final dispute resolution proceeding.

§ 11.10.2.3 Records of Reimbursable Expenses, expenses pertaining to Supplemental and Additional Services, and services performed on the basis of hourly rates shall be available to the Owner at mutually convenient times.

ARTICLE 12 SPECIAL TERMS AND CONDITIONS

Special terms and conditions that modify this Agreement are as follows:

(Include other terms and conditions applicable to this Agreement.)

12.1 Neither the Architect nor the Architect's consultants have offered, intends to offer, or shall be required to offer, any fiduciary service to the Owner and no fiduciary responsibility shall be owed to the Owner by either the Architect or the Architect's consultants as a result of the Owner and Architect entering into this Agreement.

12.2 NON-DISCRIMINATION. During the performance of this Agreement, the Architect agrees as follows:

12.2.1 The Architect will not discriminate against any employee or applicant for employment because of race, religion, color, sex, or national origin, except where religion, sex, or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of the Architect. The Architect agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

12.2.2 Architect shall state in all solicitations or advertisements for employees placed by or on behalf of the Architect that the Architect is an equal opportunity employer.

12.2.3 Notices, advertisements, and solicitations placed in accordance with federal law, rule, or regulation shall be deemed sufficient compliance with this provision.

12.2.4 The Architect agrees to include the provisions of 12.2.1, 12.2.2, and 12.2.3 above in every subcontract over \$10,000 so that the provisions will be binding upon each subcontractor.

12.3 During the performance of this Agreement, the Architect agrees to (i) provide a drug-free workplace for its employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in its workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on its behalf that it maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, "drug-free workplace" means a site for the performance of work done in connection with this Agreement in which the employees of the Architect are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the Agreement.

12.4 The requirements of the Americans with Disabilities Act (ADA), Fair Housing Act (FHA) and other federal, state and local accessibility laws, rules, codes, ordinances and regulations will be subject to various and possibly contradictory interpretations. Federal accessibility laws and regulations are not part of, or necessarily compatible with, state or local laws, codes and regulations governing construction. The Architect, therefore, will use its reasonable professional efforts and judgment to interpret applicable accessibility requirements in effect as of the date of submission to building authorities, and as they apply to the Project. Therefore, the Architect recommends the Owner obtain appropriate legal counsel with respect to compliance with the appropriate disability access laws.

12.5 The Architect agrees, to the fullest extent permitted by law, to indemnify and hold harmless the Owner, its officers, directors and employees (collectively, Owner) against all damages, liabilities or costs, including reasonable attorneys' fees, to the extent caused by the Architect's negligent performance of professional services under this Agreement and that of its consultants or anyone for whom the Architect is legally liable. Neither the Owner nor the Architect shall be obligated to indemnify the other party in any manner whatsoever for the other party's own negligence or for the negligence of others that they are not legally liable.

12.6 Architect's Services shall be limited to those expressly set forth in this Agreement. Architect shall have no other obligations or responsibilities for the Project except as agreed to in writing.

12.7 The Contractor and Subcontractors will be solely in control of the Project site and exclusively responsible for construction means, methods, scheduling, sequencing, jobsite safety and compliance with all Construction Documents and directions from Owner or building officials.

12.8 Only upon the written request or direction of Owner, any value engineering, substitutions, or other cost-reduction effort or analysis that results in similar evaluations, is performed on this Project, the Architect shall provide its opinion to the Owner with respect to proposed or requested changes in materials, products, systems, or equipment. The Architect shall be entitled to rely on the accuracy and completeness of the information provided in conjunction with the requested change(s). The Owner acknowledges that such changes may result in a reduction in the quality and performance of the materials, components, or project. Accordingly, the Architect shall not be responsible for such reduction in performance by incorporating such value engineered, substituted, or otherwise incorporated materials, products, systems, or equipment into the Project.

12.10 If the Owner directs the Architect to specify any product or material after the Architect has informed the Owner that such product or material may not be suitable or may embody characteristics that are suspected of causing or may cause the product or material to be considered a hazardous substance in the future, the Owner waives all claims as a result thereof against the Architect.

In consideration of the substantial risks to the Architect in rendering its services in connection with the Project due to the presence or suspected presence of hazardous materials at or near the jobsite, the Owner agrees to make no claim and hereby waives, to the fullest extent permitted by law, any claim or cause or causes of action, including negligence, breach of contract or warranty, either express or implied, strict liability or any other causes, against the Architect, its officers, directors, partners, employees and subconsultants (collectively, Architect), which may arise out of or may be connected to the presence of such hazardous materials. The Owner acknowledges that the Architect

is not and shall not be required to be an arranger, generator, operator or transporter of hazardous materials present at or near the Project site (as these terms are defined in applicable federal or state statutes and all related regulations).

12.12 The Architect and/or its consultant will prepare a plan indicating the locations for existing subsurface infrastructure with respect to assumed or known by the Architect, locations of existing underground improvements. Such services by the Architect and/or its consultant will be performed in a manner consistent with the Architect's professional standard of care. However, such plans may not identify all existing underground infrastructure and that the information upon which the Architect reasonably relies may contain errors or may be incomplete. Therefore, the Owner agrees, to the fullest extent permitted by law, to waive all claims and causes of action against the Architect for damages to existing underground infrastructure and improvements resulting from subsurface penetrations in locations established by the Architect that are based on properly filed and available records of said existing underground infrastructure.

12.15 This Agreement may be executed in one or more counterparts and shall be effective when all the Parties have signed a counterpart hereof. Electronic transmission of original signatures in .pdf or similar format are as final and binding as pen and ink originals executed and exchanged in the presence of all Parties.

ARTICLE 13 SCOPE OF THE AGREEMENT

§ 13.1 This Agreement represents the entire and integrated agreement between the Owner and the Architect and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both the Owner and Architect.

§ 13.2 This Agreement is comprised of the following documents identified below:

- .1 AIA Document B101™-2017, Standard Form Agreement Between Owner and Architect
- ~~.2 Building Information Modeling Exhibit, if completed:~~

~~.3 Exhibits:~~

~~(Check the appropriate box for any exhibits incorporated into this Agreement.)~~

~~[] AIA Document E204™ 2017, Sustainable Projects Exhibit, dated as indicated below:~~

~~(Insert the date of the E204-2017 incorporated into this agreement.)~~

~~[] Other Exhibits incorporated into this Agreement: Exhibits:~~

~~(Clearly identify any other exhibits incorporated into this Agreement, including any exhibits and scopes of services identified as exhibits in Section 4.1.2.)~~

~~.4 Other documents:~~

~~(List other documents, if any, forming part of the Agreement.)~~

This Agreement entered into as of the day and year first written above.

OWNER (Signature)

Aretha Ferrell-Benavides, City Manager
City of Martinsville, Virginia

(Printed name and title)

ARCHITECT (Signature)

Joshua N. Bennett, AIA, Vice President
Moseley Inc.

(Printed name, title, and license number, if required)



STAFF REPORT

TO: City Council

FROM: Greg Maggard, Managing Director of Public Works

SUBJECT: Discuss and Consider Finalization of 1 Ellsworth Lease Option

STAFF/ DEPARTMENT RESPONSIBLE: Public Works

MEETING DATE: June 24, 2025

BACKGROUND/HISTORY:

Due to current circumstances, staff have been directed to investigate alternative office spaces. A Facility Condition Assessment is scheduled to be completed, which may dictate the need to house all or part of the City Staff off-site or in temporary buildings. Multiple locations were visited, and the results of those visits have been summarized. Costs, building analysis, timelines, and building summaries will be discussed.

1 Ellsworth Lease Options:

- 1) Begin at \$11.40 rate (5% discount) and increase 3% per year escalator
- 2) Begin at \$10.80 (10% discount) and CPI increase
- 3) \$12.00 rate (\$1/ft), cap the CPI at 2% — protects from runaway inflation
- 4) \$12.00 rate (\$1/ft), increase our loan payment to \$10,800 to match the City's rent

POLICY EXPLANATION:

Not applicable.

FISCAL IMPACT/FUNDING SOURCE:

To be determined.

Available Budget: To be determined.

Purchase Amount: To be determined.

ACTION REQUESTED/ALTERNATIVES

1. City Council Finalize Lease Option from ones provided.
2. City Council Do Not Finalize Lease Option from ones provided.
3. Other Action as Determined Necessary by City Council.

ATTACHMENTS:

None



STAFF REPORT

TO: City Council

FROM: Stephen Durbin, Outside Legal Counsel -- Sands Anderson, Robert Floyd, Budget Administrator

SUBJECT: Discuss and Consider Ordinance Authorizing Bonuses, Payable Out of State Funds For Qualifying Employees of Certain State-Supported Local Agencies

STAFF/ DEPARTMENT RESPONSIBLE: Budget

MEETING DATE: June 24, 2025

BACKGROUND/HISTORY:

The proposed ordinance authorizes the City of Martinsville to issue one-time monetary bonuses to qualifying employees of certain state-supported local agencies, using funds provided by the Commonwealth of Virginia. This includes constitutional officers and their full-time employees, General Registrars, and members of the Electoral Board. The bonuses are not funded through local revenues but are distributed only when appropriated by the state.

This specific action responds to recent legislation passed by the Virginia General Assembly, which approved a one-time bonus of 1.5% for eligible state-supported local employees. The ordinance also allows for future state-funded bonuses to be processed without requiring a new ordinance each time—streamlining approval when the state provides similar funding in subsequent fiscal years.

This Ordinance:

1. Authorizes bonuses for state-supported local employees **only when funded by the Commonwealth of Virginia;**
2. Applies to constitutional officers and their full-time staff, General Registrars, and Electoral Board members;
3. Requires the City Manager to bring forward an appropriation request when state funds are made available;
4. Allows Council to approve the disbursement via appropriation without requiring future bonus-specific ordinances;

5. Is adopted under emergency provisions and is effective immediately upon passage.

POLICY EXPLANATION:

§ 15.2-1508 of Virginia State Code. Bonuses for employees of local governments. Notwithstanding any contrary provision of law, general or special, the governing body of any locality may provide for payment of monetary bonuses to its officers and employees. The payment of a bonus shall be authorized by ordinance.

FISCAL IMPACT/FUNDING SOURCE:

Not Applicable.

Available Budget: Not Applicable.

Purchase Amount: Not Applicable.

ACTION REQUESTED/ALTERNATIVES

1. City Council Adopt Ordinance.
2. City Council Do Not Adopt Ordinance.
3. Other Action as Deemed Appropriate by City Council.

ATTACHMENTS:

1.	Ordinance - Bonuses for City Employees out of state funds 2
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ORDINANCE AUTHORIZING BONUSES, PAYABLE OUT OF STATE FUNDS FOR QUALIFYING EMPLOYEES OF CERTAIN STATE-SUPPORTED LOCAL AGENCIES

WHEREAS, §15.2-1508 of the Code of Virginia (1950) as amended, permits local governments to make payments of monetary bonuses to its employees and officers upon the adoption of an authorizing ordinance; and

WHEREAS, the City Council for the City of Martinsville, Virginia (the “Council”) is aware of recent action by the Virginia General Assembly providing a one-time bonus of 1.5 percent for certain workers, including employees of constitutional officers; and

WHEREAS, City Council wishes to recognize the valuable contribution of the City’s eligible employees, and to enable them to benefit from the action of the General Assembly by receiving the aforementioned state-funded bonuses, and to provide for future bonuses to employees out of state funds, as such may be approved by the General Assembly, from time to time.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Martinsville as follows:

The payment of bonuses to City employees, including without limitation the constitutional officers and their full-time employees, General Registrars and members of the electoral board, is hereby authorized when such payments are to be made solely from state-provided funds. At any time that state funds are made available for the payment of such bonuses, the City Manager may prepare an appropriation request for the payment of such bonuses and place such request upon the agenda of the City Council for approval. Upon approval of the appropriation by City Council, the bonus shall be deemed authorized without need for further ordinance.

Council finds that an emergency exists, and this ordinance shall be effective immediately.

The members of Council voted as follows on the foregoing Ordinance:

Ayes

Nays

Absent

Abstentions

Adopted this __ day of ___, 2025.

Attest:

Deputy Clerk of Council, City of Martinsville