

SANTA YNEZ COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors
FROM: John D'Ornellas, Interim General Manager
DATE: July 22, 2020
SUBJECT: Engineering Services Horizon Drive

Recommendation

- Review and discuss proposal from Cannon Associates providing SRF loan, bidding, and construction services for the Horizon Line project.
- Approve proposal for engineering services, as may be amended, for the Horizon Line project with a not to exceed cost.

Fiscal Implications

The Horizon Drive project as budgeted includes a cost estimate for engineering services. The eventual loan for this project will include funds for engineering.

Policy Implications

Public Contract Code §20680-20683 specifically applies to community services districts. These sections require competitive bidding for construction contracts when the cost exceeds \$25,000 and contracts to be let to the lowest responsible bidder. The public works bid process is very complex and contains many procedural and legal requirements for the competitive bid. The Clean Water State Revolving Fund (SRF) loan adds extra requirements to the bidding process.

Background

A public works project includes the erection, construction, alteration, demolition, installation, repair or improvement of any structure, building, road, or any other improvement of any kind paid for in whole or in part out of public funds. The Horizon Line project is a public works project and must follow a myriad of legal and procedural requirements before, during, and after construction. These include preparation of formal plans and specification, noticing and bidding, and construction management/inspection. Public works projects are generally 30% more expensive to construct than private projects.

District Engineer, Mike Kielborn of Cannon Associates, has been involved with the Horizon Drive project for years. The plans for the project are 90% complete. However, there are numerous other construction and engineering services that must be performed to successfully get this project completed. The use of the SRF adds extra layers of complexity to this project.

The idea behind having an engineering consultant to assist in the SRF, bidding, and construction process is to insure we have a professional expert representing us as we enter these phases of the

project. Staff will work with our engineer to complete many of these requirements especially the SRF requirements that are purely administrative in nature. The front end bid documents will be provided by the District from our standardized format. However, most of the public works requirements should be performed by an experienced engineer or construction manager. .

Discussion

Attached is a proposal from Cannon Associates to provide SRF support, bidding, and construction services for the Horizon Drive project. The proposal is on a Time and Material basis with a budget projection of \$44,000 for the work. The budget is somewhat conservative and some of the work may not be needed or District staff will be able to perform the work. The proposal budgets for a variety of services including SRF support, plans, bid evaluation, submittal review, and construction management services. The Cannon proposal's seven tasks are summarized below into four general categories:

1. State Revolving Fund Support: The SRF requires submittal of a Project Report signed/stamped by a Professional Engineer. The SRF suggested outline for this report is extensive. Staff believe many sections of this outline are unnecessary for a mainline extension project of less than ½ mile in length. However, some type of report will need to be submitted and if we do not give the Water Board enough of a report we will have to resubmit. Other technical sections of the SRF may need engineering consultation.
2. Plans and Specifications: The plans for the project are 90% complete. Specifications still need to be prepared for the project. The Horizon Drive project specifications will detail the work and workmanship needed to complete the project. The specifications are an in-depth written explanation describing the construction process and go along with the plans (blueprints). During construction, specifics are everything and failure to communicate specifically could create change orders, cost overruns, and schedule delays.
3. Bidding: Public works projects have cumbersome bidding requirements. If we fund the project with an SRF it becomes even more complex with added layers of bureaucracy. Technical project questions from contractors usually come up during bidding and these sometimes require formal addenda during the bidding.
4. Construction Management (CM) Services: Issues between contractors and municipalities always come up and the intent of the CM services is to minimize these occurrences. These issues can be greatly minimized by having a clear set of plans and specifications. The Cannon proposal does not budget for a construction inspector on the project to observe and verify plan conformance on a daily basis. However, this can be amended before the project starts. Regular CM services are important and ensure the project is being installed per the plans, and that no details from the approved design plans are being missed or misinterpreted. Questions will occur once the project begins and these questions need to be resolved immediately by a professional construction manager that is well versed in the project, the plans/specification, and the Public Contract Code. Public works CM services are usually in the range of 5% to 10% of the project cost.

Staff requests your Board's review and approval of the proposal, as may be amended, for the SRF support services, bidding, and construction services for the Horizon Drive project.

Attachment: Cannon Associates Horizon Drive Project Proposal



July 14, 2020

(via email)

Mr. Jose Acosta
General Manager
Santa Ynez Community Services District
1070 Faraday St.
Santa Ynez, CA 93460

PROJECT: HORIZON SEWER

Dear Mr. Acosta:

The need for sewer in western Santa Ynez is apparent. In 2016, the Santa Ynez Community Services District (District) entered into an agreement with Santa Barbara County Environmental Health Services (EHS) and retained Cannon to complete a Sewer Area Study and preliminary design plans for the expansion of the sewer system on the West side of the District's sphere of influence. EHS provided \$145,000 in funds to complete this effort. Preliminary plans were prepared for the entire area studied, but were never taken to the final design level. Over the past several years, the sewer plans have been divided up into smaller segments to meet the needs of the community. Recent developments and requests have prompted the need for final design plans to be prepared to serve Horizon Drive. The plans for Horizon Drive are currently at approximately 90% complete.

Our team of engineers is ready and available to tackle the task at hand and provide the District with plans and bidding documents that will allow the District to commence with construction of the sewer expansion once funding becomes available for the project. We are also available to assist in preparation of project summaries for funding applications, easement legal descriptions, bidding, and construction management as needed.

We are excited to work with you on this project. I will call you to further discuss this proposal and the next steps moving forward.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Kielborn". The signature is fluid and cursive, with a long horizontal stroke at the end.

Michael Kielborn, PE
Principal Engineer
C 70112



PROJECT UNDERSTANDING AND APPROACH

The intent of this project is to provide the design engineering and prepare plans so that the construction of the sewer up to Horizon Drive can take place. This includes the extension of the sewer up through the easement of the Sanja Cota Motel and others. The current alignment extends through a proposed easement from Hwy 246 up to Horizon Drive that crosses three properties.

SCOPE OF WORK

This scope of work was developed based on our conversations regarding the sewer expansion needs for Horizon Drive. The following tasks have been outlined to achieve the goals of the District.

Task 1. Project Management

This task will last for the duration of the project, and will consist of project setup, scheduling, controlling, and correspondence between the District and other various agencies. Correspondence includes telephone conversations, emails, project status reports, monthly status reports, project memorandums when necessary, and detailed Monthly Progress Billings.

Task 2. Meetings

It is assumed that there will be approximately 3-4 meetings throughout the course of the project. These may include site visits; preliminary alignment review; plan reviews; easement coordination; agency coordination meetings; board meeting attendance; and other miscellaneous meetings with the District over the duration of the project.

Task 3. Final Design Plans

The design plans for this phase of development will include finalizing the 100% plan and profile drawings for the extension of the sewer in Highway 246, up to Horizon Drive, and in Horizon Drive from Refugio to the eastern end of that street. The final plans will be presented to the District for one final review prior to the preparation of the Bid Documents, which include plans, specs, and front end bidding documents provided by the District.

- a) 100% Sewer Main Plans
- b) Final Plans and Specifications (Bid Documents)

Task 4. Engineering Report

To assist the District in securing funding for the project, we will prepare a summary memo that outlines the need for the project, and the components required to provide sewer service to the customers on Horizon Drive. It is assumed a summary report will suffice. Should additional revisions and information be required based on EPA requirements, additional budget may be required to expand upon the summary memo.

Task 5. Legal Descriptions for Easements

The District has retained Hamner & Jewell for acquisition of the easements required for this project. Our survey team will support the easement acquisition efforts by preparing the legal plats and descriptions for the required easements across the three properties in the proposed sewer alignment between Hwy 246 and Horizon Drive.



Task 6. Bidding Support

During the bidding period, Cannon will assist the District by providing information and clarification of bid documents to prospective bidders. This shall include the preparation of up to two addenda including revisions to the design plans and specifications and assistance with addressing bidder questions. During the bidding process, we will attend the pre-bid conference and bid opening as necessary. If there are questions during the bidding phase, we will prepare responses to requests for information (RFIs) and prepare addenda as necessary. We will compile all questions and distribute it to all prospective bidders.

Task 7. Construction Management

a) Kickoff Meeting

At the beginning of construction, we will attend the kickoff meeting with the selected contractor to discuss the project, and their methodology for completion. This meeting will serve as the basis for how the project will be approached, and what communication protocols are in place to successfully complete the project.

b) RFI Responses

During construction, we will review and formally respond to all Requests for Information, and provide the contractor with the information needed to progress with construction. Up to 10 RFIs are accounted for under this task during the construction phase.

c) Submittal Reviews

We will review up to 10 shop drawing submittals to check the conformance of methods and materials with the design intent. Each submittal will be accepted, or returned to the contractor for revisions. We have allotted for one additional review for each submittal returned. Material substitutions will be handled as change requests, and will require District acceptance as well.

d) Periodic Site Visits

During construction we will provide periodic site visits to verify the contractor is installing the work per plan, and be available for questions or discussion of how the project is to proceed. We have assumed one site visit per week throughout the duration of construction for this task.

e) Final As-Built Plans

At the completion of the project, we will develop and submit Record Drawings for the sewer based on one complete set of clean, redlined plan mark-ups received from the Contractor, as well as our own redline markups. The drawings will clearly depict all project components that were modified during construction.

f) Construction Inspection/Observation (optional)

If desired, we can provide a part time or full time construction inspector on the project to observe and verify plan conformance on a regular basis. This will ensure that the project is being installed per the plans, and that no details from the approved design plans are being missed or misinterpreted. The inspector will fill out a daily inspection report, take photos, and document the work completed, staff present, and equipment used for the day.



DELIVERABLES

The following deliverables are anticipated for this scope of work:

- 100% Design Plans and Specifications
- Final Plans, Specifications, and Bid Documents
- Legal Descriptions for 3 Easements
- Summary Memo for Funding Options

ASSUMPTIONS

The following assumptions apply to this proposal:

- Cannon is not responsible and cannot be held accountable for the accuracy of As-Builts or Record Drawings provided by the Agencies or utility providers. Cannon has no means of determining whether subsurface features were constructed per the construction / improvement drawings and does not claim to do so. Potholing of utilities should be performed by others, if there are concerns or uncertainties regarding the subsurface utilities.
- Additional work will be billed on a Time and Materials basis or as an addendum to this proposal with prior written authorization from Client.

EXCLUSIONS

The following exclusions apply to this proposal:

- Agency Submittal Fees
- Traffic Control Plans
- Traffic Studies
- Pot Holing/ Pot Hole Surveys
- Additional easements, dedications, exhibits, or documents for recordation not specifically outlined herein
- All environmental, archeological, botanical and biological project services are excluded from this scope



FEES

Fees are based on Cannon's hourly rates and do not include Agency checking or recording fees, or title company fees.

Task 1.	Project Management	\$ 3,500.00
Task 2.	Meetings	\$ 3,500.00
Task 3.	Final Design Plans	\$ 7,500.00
Task 4.	Engineering Report	\$ 4,500.00
Task 5.	Legal Descriptions for Easements	\$ 2,500.00
Task 6.	Bidding Support	\$ 3,000.00
Task 7.	Construction Management	
	a) Kickoff Meeting	\$500.00
	b) RFI Responses	\$3,500.00
	c) Submittal Reviews	\$4,500.00
	d) Periodic Site Visits	\$7,500.00
	e) Final As-Built Plans	<u>\$3,500.00</u>
	T&M Not to Exceed Fees:	\$44,000.00
	f) Daily Construction Inspection/Observation (optional)	approx. \$1,000/day



ACCEPTANCE OF PROPOSAL

Proposal Date: 7/14/20

Client: Santa Ynez Community Services District
1070 Faraday St.
Santa Ynez, CA 93460

Project: Horizon Sewer Plans

Scope of Work: Project Management, Meetings, Final Design Plans
Engineering Report, Easement Assistance, Bidding
Construction Support

T&M Not to Exceed: \$44,000.00

Appendix A details the terms for work. Cannon bills monthly for work in progress and payment is due within 10 calendar days of invoice date. Overdue amounts will be surcharged at 18 percent per annum or 1.5 percent monthly. Materials are charged at cost plus 25 percent. The fees are based upon current California Prevailing Wages. If the client requests, or the client's schedule requires work to be done on an overtime basis, a multiplier of 1.5 will be applied to the above rates for weekdays for daily hours in excess of 8 as well as weekends and a multiplier of 2.0 for daily hours in excess of 12 and holidays.

Please indicate your acceptance of this proposal by signing below.

In witness whereof, the parties hereto have caused this agreement consisting of proposal letter, Appendix A and any other necessary and applicable documents to be executed of the date and year first above written. In Appendix A, Cannon Corporation hereinafter referred to as Cannon. The Client, as noted below, hereinafter referred to as Client.

Client: SYCSD Cannon

x Jose Acosta Larry P. Kraemer, PE
General Manager Director, Public Infrastructure Division
C 44813

Date: _____ Date: _____

APPENDIX A: TERMS FOR CANNON SERVICES

Section 1: The Agreement

- 1.1 The agreement between the above noted parties consists of the following terms, the attached proposal and any exhibits or attachments noted in the proposal. Together these elements will constitute the entire agreement superseding any and all prior negotiations, correspondence, or agreements either written or oral. Any changes to this agreement must be mutually agreed to in writing.

Section 2: Standard of Care

- 2.1 Data, interpretations, and recommendations by Cannon will be based solely on information provided to Cannon. Cannon is responsible for those data, interpretations, and recommendations, but will not be responsible for other parties' interpretations or use of the information developed.
- 2.2 Services performed by Cannon under this agreement are expected by the Client to be conducted in a manner consistent with the level of care and skill ordinarily exercised by members of this profession practicing contemporaneously under similar conditions in the locality of the project. No other warranty, expressed or implied, is made.
- 2.3 The Client agrees that Cannon may use and publish the Client's name and a general description of Cannon's services with respect to the project in describing Cannon's experience and qualifications to other Clients and prospective Clients. The Client also agrees that any patentable or copyrightable concepts developed by Cannon as a consequence of service hereunder are the sole and exclusive property of Cannon.
- 2.4 The Client recognizes that it is neither practical nor customary for Cannon to include all construction details in plans and specifications, creating a need for interpretation by Cannon or an individual who is under Cannon's supervision. The Client also recognizes that construction review permits Cannon to identify and correct quickly and at comparatively low cost professional errors or omissions that are revealed through construction, or errors or omissions committed by others due to misinterpretation of design documents, or due to other causes. For the foregoing reasons construction review is generally considered an essential element of a complete design professional service. Accordingly, if the Client directs Cannon not to provide construction monitoring, Cannon shall be held harmless for any and all acts, errors or omissions, except for those consequences which it reasonably could be concluded that Cannon's review services would not have prevented or mitigated.
- 2.5 Client acknowledges that Cannon is not responsible for the performance of work by third parties including, but not limited to, engineers, architects, contractors, subcontractors, or suppliers of Client.

Section 3: Billing and Payment

- 3.1 Client will pay Cannon on a monthly basis to be billed by Cannon. Prior to the start of the project, a retainer as specified in the proposal, is required. Invoices for the balance will be submitted to Client by Cannon and will be due and payable within 10 days of invoice date. If Client objects to all or any portion of any invoice, Client will so notify Cannon in writing within fourteen (14) days of the invoice date, identify the cause of the disagreement, and pay when due that portion of the invoice not in dispute. The parties will immediately make every effort to settle the disputed portion of the invoice. In the absence of written notification described above, the balance as stated on the invoice will be paid.
- 3.2 Invoices are delinquent if payment has not been received within thirty (30) days from date of invoice. Client will pay an additional charge of 1-1/2 (1.5) percent per month or 18% per year of any delinquent amount, excepting any portion of the invoiced amount in dispute and resolved in favor of Client. All time spent and expenses incurred (including any attorney's fees) in connection with collection of any delinquent amount will be paid by Client to Cannon per Cannon's current fee schedule. In the event Client fails to pay Cannon within sixty (60) days after invoices are rendered, Client agrees that Cannon will have the right to consider the failure to pay Cannon's invoice as a breach of this agreement.
- 3.3 Client agrees that if Client requests services not specified herein, Client agrees to timely pay for all such services as extra work. Cannon will notify the Client prior to performance of services which are not specified in this agreement.
- 3.4 Client agrees that payment to Cannon is in no way contingent on the results of work by Cannon or on the outcome of any litigation.
- 3.5 Preparation and/or travel time will be charged at the hourly rate.
- 3.6 Billing rates are subject to change, typically on an annual basis.

Section 4: Additional Services

- 4.1 Additional services include making revisions in drawings, specifications or other documents when such revisions are:
Inconsistent with approvals or instructions previously given by the Client, including revisions made necessary by adjustments in the Client's program or project budget;
Required by the enactment or revision of codes, laws or regulations subsequent to the preparation of such documents.
- 4.2 Additional services includes providing services required because of significant changes in the project including, but not limited to, size, quality, complexity, the Client's schedule, or the method of bidding or negotiating and contracting for construction.
- 4.3 Where unexpected developments increase the scope of work as defined herein and/or prove the assumptions of this proposal invalid, Cannon will make a reasonable effort to contact the Client to discuss the effects and adjustment of cost.

Section 5: Site Access and Site Conditions

- 5.1 Client will grant or obtain free access to the site for all equipment and personnel necessary for Cannon to perform the work set forth in this agreement. Client will notify any and all possessors of the project site that Client has granted Cannon free access to the site. Cannon will take reasonable precautions to minimize damage to the site, but it is understood by Client that, in the normal course of work, some damage may occur and the correction of such damage is not part of this agreement unless so specified in the proposal.

Section 6: Ownership of Documents

- 6.1 All reports, maps, plans, field data, field notes, estimates and other documents, whether in hard copy or machine readable form, which are prepared by Cannon as instruments of professional service, shall remain the property of Cannon. The Client may retain copies, including copies stored on magnetic tape or disk, for information and for reference in connection with the occupancy and use of the project.
- 6.2 Because of the possibility that information and data delivered in machine readable form may be altered, whether inadvertently or otherwise, Cannon reserves the right to retain the original tapes/disks and to remove from copies provided to the Client all identification reflecting the involvement of Cannon in their preparation. Cannon also reserves the right to retain hard copy originals of all project documentation delivered to the Client in machine readable form, which originals shall be referred to and shall govern in the event of any inconsistency between the two.
- 6.3 The Client recognizes that changes or modifications to Cannon' instruments of professional service introduced by anyone other than Cannon may result in adverse consequences which Cannon can neither predict nor control. Therefore, and in consideration of Cannon ' agreement to deliver its instruments of professional service in machine readable form, the Client agrees, to the fullest extent permitted by law, to hold harmless and indemnify Cannon from and against all claims, liabilities, losses, damages, and costs, including but not limited to attorney's fees, arising out of or in any way connected with the modification, misinterpretation, misuse or reuse by others of the machine readable information and data provided by Cannon under this Agreement. The foregoing indemnification applies, without limitation, to any use of the project documents on other projects, for additions to this project, or for completion of this project by others, excepting only such use as may be authorized, in writing, by Cannon.
- 6.4 Client agrees that all reports and other work furnished to Client or his agents, which is not paid for, will be returned upon demand and will not be used by Client or others for any purpose whatsoever.

Section 7: Client Responsibilities

- 7.1 The Client shall provide full information including a program setting forth the Client's design objectives, constraints, and construction budget criteria.
- 7.2 The Client shall furnish a legal description, a certified land survey, and the services of a soil, structural, mechanical, electrical or other engineer or consultant services, and laboratory tests, inspections, or reports as required by law or as requested by Cannon to perform the functions and services required of this agreement. The information shall be furnished at the Client's expense and Cannon shall be entitled to rely upon the accuracy and completeness thereof.
- 7.3 The Client shall furnish all legal, accounting and insurance counseling services as may be necessary at any time for the project, including auditing services the Client may require to verify the Contractor's Applications for Payment or to ascertain how or for what purposes the Contractor uses the moneys paid by the Client. The information above shall be furnished at the Client's expense, and Cannon shall be entitled to rely upon the accuracy and completeness thereof.
- 7.4 If the Client observes or otherwise becomes aware of any fault or defect in the project or nonconformance with the Contract Documents, prompt written notice shall be given by the Client to Cannon.
- 7.5 The Client shall furnish information and shall review Cannon' work and provide decisions as expeditiously as necessary for the orderly progress of the project and of Cannon' services.

Section 8: Insurance

- 8.1 Cannon represents and warrants that it and its agents, staff and consultants employed by it, is and are protected by worker's compensation insurance and that Cannon has such coverage under public liability and property damage insurance policies which Cannon deems to be adequate. Certificates for all such policies of insurance shall be provided to Client upon request in writing. Within the limits and conditions of such insurance, Cannon agrees to indemnify and save Client harmless from and against any loss, damage or liability arising from any negligent acts by Cannon, its agents, staff, and consultants employed by it. Cannon shall not be responsible for any loss, damage or liability beyond the amounts, limits, and conditions of such insurance. Cannon shall not be responsible for any loss, damage, or liability arising from any acts by Client, its agents, staff, and other consultants employed by Client.

Section 9: Termination

- 9.1 This agreement may be terminated by either party seven (7) days after written notice in the event of any breach of any provision of this agreement or in the event of substantial failure of performance by the other party, or if Client suspends the work for more than three (3) months. In the event of termination, Cannon will be paid for services performed prior to the date of termination plus reasonable termination expenses including the cost of completing analyses, records and reports necessary to document job status at the time of termination.
- 9.2 Failure of the Client to make payments to Cannon when due in accordance with this agreement shall be considered substantial nonperformance and cause for termination. If the Client fails to make payment when due to Cannon for services and expenses, Cannon may, upon seven (7) days written notice to the Client, suspend performance of services under this agreement. Unless payment in full is received by Cannon within seven (7) days of the date of the notice, the suspension shall take effect without further notice. In the event of a suspension of services, Cannon shall have no liability to the Client for delay, damage, loss of agency approvals, loss of financing, interest expenses, etc. caused the Client because of such suspension of service.

Section 10: Disputes Resolution

- 10.1 All claims, disputes, and other matters in controversy between Cannon and Client arising out of or related to this agreement will be submitted to "alternative dispute resolution" (adr) such as mediation and/or arbitration, before and as a condition precedent to other remedies provided by law. If and to the extent Client and Cannon have agreed on methods for resolving such disputes, then such methods will be set forth in the "alternative dispute resolution agreement" which, if attached, is incorporated and made a part of this agreement.
- 10.2 If a dispute at law related to the services provided under this agreement and that dispute requires litigation instead of adr as provided upon, then:
- (1) The claim will be brought and tried in judicial jurisdiction of the court of the county where Cannon' principal place of business is located and Client waives the right to remove the action to any other county or judicial jurisdiction, and
 - (2) The prevailing party will be entitled to recovery of all reasonable costs incurred, including staff time, court costs, attorney's fees, and other claim related expenses.

Section 11: Assigns

- 11.1 Cannon shall not assign this agreement in whole or in part nor shall it subcontract any portion of the work to be performed hereunder; except that Cannon may use the services of persons of entities not in our employ when it is appropriate and customary to do so. Such persons and entities include, but are not necessarily limited to, specialized consultants and testing laboratories. Cannon' use of others for additional services shall not be unreasonably restricted by the Client provided Cannon notifies the Client in advance.

Section 12: Governing Law and Survival

- 12.1 The law of the State of California will govern the validity of these terms, their interpretation and performance.
- 12.2 If any of the provisions contained in this agreement are held illegal, invalid or unenforceable, the enforceability of the remaining provisions will not be impaired. Limitations of liability and indemnities will survive termination of this agreement for any cause.

Section 13: Limitation of Liability

- 13.1 To the fullest extent permitted by law, the total liability, in the aggregate, of Cannon and Cannon's officers, directors, employees, agents and independent professional associates and consultants, and any of them, to Client and anyone claiming by, through or under Client, for any and all injuries, claims, losses, expenses or damages whatsoever arising out of or in any way related to Cannon's services, the project or this agreement from any cause or causes whatsoever, including but not limited to the negligence, errors, omissions, strict liability or breach of contract of Cannon or Cannon's officers, directors, employees, agents and independent professional associates and consultants, or any of them, shall not exceed the total compensation received by Cannon under this agreement, or the total amount of \$50,000.00, whichever is greater.

Section 14: Hiring Cannon' Employees

- 14.1 From time to time, Clients who have come to know and work with our employees in the course of a project wish to hire them to work as the Client's own in-house employees. We pride ourselves on recruiting, hiring, and training the very best employees possible, and in assigning to projects our employees who best meet our Clients' individual needs. Our goal is to have our Clients view Cannon and its individual employees as indispensable.
- 14.2 Client agrees to pay Cannon a finder's fees equal to 12 months of the employee's current salary or wage for each of our employees whom you choose to hire, either directly or indirectly. Client acknowledges and agrees that the finder's fee is both fair and reasonable, and is equivalent to a recruiting or "headhunter's fee" that Client would expect to pay to a third party for locating and recruiting an employee of the caliber of the hired Cannon employee.
- 14.3 This Section 14 shall be limited to those of Cannon' employees with whom Client works or is introduced by Cannon during the course of this engagement, and shall be applicable to such employees both during his/her employment with Cannon and for a period of six (6) months thereafter. This Section 14 shall survive the cancellation or expiration of this Agreement.

