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September 27, 2022

Club Ocean Villas I Condominium
108 Edward Taylor Road
Ocean City, Maryland 21842

ATTENTION: Mr. Jim Russell

SUBJECT: Proposal for Professional Engineering/Consultation Services
Exterior Siding
Club Ocean Villas I Condominium
Ocean City, Maryland
Our Proposal PM2-8193

Dear Mr. Russell:

Engineering and Technical Consultants, Inc. (ETC) is very pleased to submit this proposal for providing professional engineering/consultation services for the above referenced project. This proposal is provided in accordance with your request and includes a brief discussion of background information, a listing of our proposed scope of services, and a summary of our fees for services.

BACKGROUND INFORMATION

Club Ocean Villas I is a residential community that consists of 8, two story buildings that are approximately 40 years old. The buildings are clad with wood siding and feature sloped roofs with asphalt shingles.

You informed us that the Association is planning on replacing the exterior siding on the buildings in the near future. You requested a proposal from us to prepare needed design documents for the planned work.

SCOPE OF SERVICES

We propose to provide the necessary personnel and equipment to perform the professional engineering and consultation services discussed below.

Design - We will prepare needed documents for the planned exterior siding replacement work for submission to potential contractors (bidders). The documents will include a comprehensive technical specification, drawings, needed details and a letter of bidding instructions. The entire bid package will be submitted for your review and comment prior to submission to contractors.

Professional Relationships That Endure...Over 40 Years!

Water Intrusion ♦ Roofing ♦ Structural ♦ Architectural ♦ Pavement ♦ Warranty/Reserve Studies ♦ Mechanical

9. We will review all contract "close-out" documents provided by the Contractor to verify that all required documents are properly provided. These documents will include:
 - a. Contractor warranties;
 - b. Manufacturer warranties;
 - c. Maintenance and care documents; and,
 - d. Needed final lien releases.

10. A final acceptance report will be issued once all the work has been satisfactorily completed.

PERSONNEL

All on-site inspections will be performed by members of our staff who are fully experienced and trained in the inspection and evaluation of the various items previously outlined in this proposal. Kirk R. Parsons will serve as our Project Manager, and he will personally direct all of our activities.

SCHEDULE

We are currently available to start work within approximately two weeks after being notified that ETC has been selected and design documents should be submitted within approximately five weeks after we start work. The schedule for bidding normally requires at least four weeks to complete.

The exact schedule for the construction portion of work will depend upon the actual work to be performed, the systems to be utilized, the Contractor selected, the size of the crew(s) to be used by the Contractor and other variables that cannot be adequately established at this time. Once we get to this stage of work, this matter will be reviewed in light of the existing conditions, the Contractor's schedule, etc. and we will provide cost estimates for our work.

COMPENSATION

Estimated fees for our various services are outlined below and we will not exceed these figures without your prior authorization. All services, including those provided at your request, beyond the scope of this proposal, will be charged in accordance with the rates shown on the Fee Schedule attached to this proposal.

Design	\$6,900.00
Bidding	\$2,400.00
Construction Administration	TBD

AUTHORIZATION

To authorize us to provide the proposed services and to make this proposal, including our statement of General Conditions and other enclosures, the agreement between us, please execute the attached Proposal Acceptance Sheet and return a copy. Any exceptions to this proposal or special requirements not covered in this proposal should be listed on the Proposal Acceptance Sheet.

FEE SCHEDULE

<u>ITEM</u>	<u>UNIT FEE</u>
P-1 STAFF ENGINEER, ASSISTANT PROJECT MANAGER, BUILDING CONSULTANT, per hour -----	\$160.00
P-2 PROJECT MANAGER, PROJECT ENGINEER, OR PROJECT CONSULTANT, per hour -----	\$180.00
P-3 REGISTERED ENGINEER, REGISTERED CONSULTANT, RESERVE SPECIALIST, SENIOR PROJECT MANAGER, per hour -----	\$200.00
P-4 PRINCIPLE, SENIOR REGISTERED ENGINEER, REGISTERED ARCHITECT, per hour -----	\$240.00
P-5 SENIOR STRUCTURAL CONSULTANT, per hour -----	\$260.00
P-6 COMPANY PRESIDENT, OR CHIEF ENGINEER, per hour -----	\$300.00
P-7 PAVEMENT CONSULTANT, OR CERTIFIED EIFS INSPECTOR, per hour ----	\$140.00
P-8 SENIOR PROJECT INSPECTOR, OR REGISTERED ROOF OBSERVER, per hour -----	\$120.00
P-9 PROJECT INSPECTOR, per hour -----	\$100.00
P-10 STAFF INSPECTOR, INTERN ENGINEER or DRAFTSMAN, per hour -----	\$90.00
P-11 SECRETARIAL SERVICES, OR JUNIOR DRAFTSMAN, per hour -----	\$55.00
P-12 SPECIAL ASSIGNMENTS (such as advanced research, experimentation, litigation support, testimony, aerial or underwater inspections, etc.), per hour -----	\$400.00
R-1 TRANSPORTATION AND OUT-OF-TOWN SUBSISTENCE, expenses of our staff will be billed at our direct cost divided by 0.8	
R-2 MILEAGE, for personal or company vehicles, per mile -----	\$0.80
R-3 LONG DISTANCE TELEPHONE CALLS, TELEGRAMS, SPECIAL PERMITS, SHIPPING CHARGES, PRINTINGS, OUT OF OFFICE REPRODUCTION, SPECIALTY PHOTOGRAPHIC EXPENSES, or items not customarily provided will be billed at our direct cost divided by 0.8	
R-4 SUBCONTRACTORS, retained for sampling, staging, laboratory analysis, etc. will be billed at our direct cost divided by 0.8	
R-5 Copy, Print or Scan building plans (per square foot) -----	\$0.50
Minimum Charge -----	\$10.00
E-1 Infra-Red Camera or Ground Penetrating Radar (GPR) Rental, half day -----	\$500.00
Full Day -----	\$750.00

7. **THIRD PARTY BENEFICIARY** – Client agrees that the performance of our services is for the sole benefit of the Client and no contractor, tenant, resident, future owner or any other party shall be deemed a third-party beneficiary to our contract with the Client.
8. **CONTACT** - Unless Client provides us with written instructions to the contrary, the person designated in the authorization as being responsible for approval of our invoices will be the Client's official contact (representative) for our staff. To help avoid confusion, all direction, communication and information regarding our services shall be provided by and/or through this individual only. This designated representative (Client contact) shall be deemed to have the authority to bind the Client.
9. **CLIENT PROVIDED INFORMATION** – Client agrees to provide copies of all available building plans, past studies/reports, maintenance/repair records, etc. applicable to the services we provide and that we have the right to rely on this information in the performance of our services.
10. **TERMINATION** - This Agreement may be terminated by either party upon seven (7) days written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof. Such termination shall not be effective if that substantial failure has been remedied before expiration of the period specified in the written notice. In the event of termination, or suspension for more than three (3) months, prior to completion of all reports contemplated by this Agreement, Client agrees that we may complete such analyses and records as are necessary to complete our files and may also complete a report on the services performed to the date of notice of termination or suspension. The expenses of termination or suspension shall include all direct costs in completing such analyses, records and reports.
 - a. If we do not receive written acceptance of this proposal within ninety (90) calendar days from the date of issuance, we reserve the right, at our sole discretion, to extend, cancel or modify any, or all, terms and/or conditions. Prior to our starting work, all needed changes/modifications will be reviewed with Client and are subject to Client's final acceptance.
11. **PAYMENT TERMS** - Payment is due upon receipt of our invoice. If payment is not received within thirty days from the invoice date, Client agrees to pay a finance charge on the principal amount of the past due account of one and one-half percent per month or the maximum allowed by law, whichever is the lesser rate. In the event Client requests termination of the work prior to completion, Client agrees to pay all charges to date and, at our discretion, a termination charge in an amount not to exceed thirty percent of all charges incurred through the date work is stopped plus any shutdown costs. Client agrees to pay all reasonable legal fees, court costs and collection charges (a minimum of \$200.00) associated with the collection of past due accounts.
12. **INVOICES** - Client agrees that all invoices submitted for our services are correct and conclusive, unless within ten (10) business days of receipt, the Client provides us a formal, written objection which outlines in detail all charges in dispute.
 - a. Client agrees that failure to make timely payment for our invoices constitutes a material breach of contract. In addition, Client agrees that failure to make timely payment of our invoices is justification for us to suspend performance of our services.
 - b. For field personnel, services performed will be invoiced as follows: Portal-to-portal, a minimum of four (4) hours (half day) and a minimum of eight (8) hours (full day), if time exceeds four (4) hours.
13. **OVERTIME** - All work performed at Client's request or approval over eight (8) hours per day, at night (5PM to 6AM), or on Saturdays, Sundays and/or Holidays will be charged at standard rate times 1.5.
14. **SCHEDULING** - We will provide personnel for this project at the request of your representatives. We require a 24 hour notice prior to providing on-call personnel to enable us to schedule the work efficiently.
15. **CHANGED CONDITIONS** - The outlined scope of services will be accomplished in a timely workmanlike and professional manner by our employees at the fees quoted. If, during the execution of the work, the scope of our work must be changed, such as due to requests by the Client or requirements of third parties, additional charges will be applicable and the Client agrees to pay such charges.

25. **GOVERNING LAWS** - Unless noted otherwise by the Client in the Special Instructions section of this Agreement, the validity, enforceability and interpretation of this Agreement shall be determined and governed by the laws of the Commonwealth of Virginia. All parties consent to personal jurisdiction and venue in the courts of the Commonwealth of Virginia or in any federal court located in Virginia if any suit is brought under the terms of or relating to this Agreement.
26. **ASSIGNS** - Both parties agree not to delegate, assign, or transfer their duties or interests in this Agreement without the prior written consent from the other party. Both parties agree to designate one individual to manage this project and all communications, requests, etc. will be made solely through these designated individuals.
27. **NO WAIVER** – Failure of either party at any time to require performance by the other party of any provision hereof will in no way affect the full right to require such performance at any time thereafter, nor will the waiver by a party of a breach of any of the provisions hereof constitute a waiver of any succeeding breach of the same or any other provision.
28. **SEVERABILITY** – If any provision of these General Conditions is deemed to be invalid or unenforceable under applicable law, these General Conditions will be considered divisible as to such provision and such provision will thereafter be inoperative, provided however, the remaining provisions of these General Conditions will be valid and binding.
29. **MEDIATION** – Prior to taking any legal action, any and all conflicts regarding this Agreement shall first be submitted to non-binding mediation, under the rules of the American Arbitration Association in effect at the time of the claim, unless mutually agreed otherwise. Costs for mediation shall be equally split between the parties involved.
30. **MERIT OF CLAIM** – Prior to any direct or third party claims against us, the claimant shall first provide written certification, executed by at least two (2) independent engineers licensed and routinely providing similar services in applicable project jurisdictions, and who, after reviewing our contract(s) and issued documents, shall specify in detail each and every act or violation of care expected by an engineer under similar circumstances. Such certification shall be provided at least thirty (30) days prior to the presentation for any claim or counter claim.
31. **TIME TO BAR LEGAL ACTION** – The Client agrees that all claims against us for breach of agreement or for failure to perform in accordance with the “standard of care” shall not be initiated more than three (3) years from the date on which we completed the services involved, or a period of Client-requested inactivity exceeding sixty (60) days.
32. **RETAINERS** – Required retainers are established at the commencement of our services and must be paid before we begin performing the requested services. Should the scope of our services change, or in the event invoices are not paid in accordance with our General Condition, we reserve the right to modify the retainer at that time. All retainers are refundable, replenishing retainers. You agree that throughout the performance of our services you will maintain this replenishing retainer at the agreed upon level. At the conclusion of our services and upon credit of the retainer against the final invoice, any balance shall be returned. This retainer is not to be considered as a flat fee or any projection of what the anticipated fees might be for our services. Any estimate of fees and costs given by us will not limit actual fees or costs that you are required to pay and is not a promise or guarantee that actual fees and costs will not exceed the amount of the retainer or our estimate. Actual fees and costs may vary significantly from any initial estimates given. While we may or may not seek a separate retainer for additional matter(s) for which you engage our firm, you hereby authorize us to apply any retainer funds in a particular matter towards a balance due in any other matter you have with us.