



Engineering and Technical Consultants, Inc.
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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

As a part of our design services, we will visit the site to confirm existing conditions, dimensions and miscellaneous details associated with the exterior siding. We will also review existing building plans provided to us.

Bidding - When the bid package has been approved, we will solicit bids on your behalf and obtain prices from at least three (3) qualified contractors. As part of our services, we will hold one (1), on-site pre-bid meeting to help familiarize contractors with the required scope of work and we will issue written meeting minutes. After the bids are received, we will issue a brief report which summarizes the results and provides our recommendations for proceeding with the contract.

Construction Administration - After a Contractor has been selected, we will perform needed construction administration and consultation services to help verify that the Contractor complies with the contract documents and uses the best possible workmanship techniques. In this phase of work, our services will include the following items.

1. We will conduct a pre-award meeting to help negotiate final contract terms, discuss particular project requirements, generally review the layout of the project, etc. so that a formal contract can be prepared and executed.
 - a. We will also provide recommendations for potential product and/or work scope alternates offered by the selected contractor.
 - b. Written minutes will be issued after the meeting to help document items discussed.
 - c. We will then develop the contract for final execution by both parties.
2. We will attend a pre-construction meeting with the Contractor and other interested parties, such as you, to review the contract documents, Contractor submittals and project requirements so that the work will be properly coordinated and started. After the meeting, we will issue written minutes.
3. Our staff will perform periodic observations (inspections) of the actual work performed and the materials utilized. The frequency of our site visits will be dependent upon the amount of activity and complexity of work being performed by the Contractor.
4. Periodic progress meetings (normally about every two to three weeks) will be held with the Contractor and other interested parties to review past work, resolve questions, review the Contractor's pay requests and discuss future work. Written minutes will be issued after every progress meeting.
5. We will review all needed Contractor submittals, shop drawings, etc. and provide a written report of our comments and recommendations.
6. We will analyze all potential change orders (if any) and provide a written summary of our comments and recommendations. We will also prepare appropriate contract required documents for approved change orders.
7. We will review, edit (as necessary) and approve all Contractor invoices and provided lien releases.
8. We will verify that all punch list items are completed by the Contractor.

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

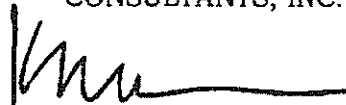
To authorize us to provide the proposed services and to make this proposal, including our statement of General Conditions and other enclosures, the agreement between us, please execute the attached Proposal Acceptance Sheet and return a copy. Any exceptions to this proposal or special requirements not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

You may authorize us to provide the proposed services by issuing a purchase order. If you elect to do this, please cross out and initial wording that does not apply to a professional service contract and reference this proposal in your purchase order.

We appreciate your consideration of ETC. Please feel free to contact us if any questions arise or if you wish to modify and/or negotiate any part of this proposal.

Very truly yours,

ENGINEERING AND TECHNICAL
CONSULTANTS, INC.



Kirk R. Parsons
Vice President

ATTACHMENTS: Fee Schedule
General Conditions
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

GENERAL CONDITIONS

1. **INSURANCE** - We maintain Workers' Compensation and Employer's Liability Insurance in accordance with state law. In addition, we maintain Comprehensive General Liability Insurance and Automobile Liability Insurance with bodily injury limits of \$300,000 - \$500,000 and property damage limits of \$100,000. A certificate of insurance can be supplied evidencing such coverage which contains a clause providing that fifteen days written notice be given prior to cancellation. Cost of this coverage is included in our quoted fees. If additional coverage or increased limits of liability are required, we will endeavor to obtain the requested insurance and charge separately for costs associated with the additional coverage or increased limits. Within the limits and conditions of such insurance, we agree to indemnify and save the Client harmless from and against any loss, damage, or liability arising from any negligent acts by the firm, its agents, staff and consultants employed by it. The Client agrees that we shall not be responsible for any loss, damage, or liability beyond the amounts, limits and conditions of such insurance. We will only be responsible for issues that are the sole responsibility of our firm and we shall not be responsible for any loss, damage, or liability arising from any acts by the Client, its agents, staff, and other consultants employed by it.
2. **WARRANTY AND LIMITATION OF LIABILITY** - We warrant that we will perform services under this contract using that degree of skill and care ordinarily exercised under similar conditions by reputable members of our profession practicing in the same or similar locality. NO OTHER WARRANTY, EXPRESS OR IMPLIED, IS MADE OR INTENDED by our proposal for consulting services, our performance of the services, or by our furnishing oral or written reports. In addition, we will base our opinions and recommendations on our engineering judgement and are not responsible for latent defects that may appear in the future or for differing opinions of others.
 - a. Client agrees that our liability for any damage caused by any error, omission, or other professional negligence will be limited to a sum not to exceed \$20,000 or our fee, whichever is greater. If Client wishes our professional liability to exceed this sum, we agree to waive this limitation upon receiving Client's written request and written agreement to pay additional consideration in sufficient amount to cover our increased risk. The increased liability ceiling will be effective only when needed insurance has been verified and Client has paid the required additional consideration.
 - b. Client agrees to indemnify, defend, and hold us harmless from and against all past and future claims (including negligence claims), losses, damages, injuries, liabilities, and contract breaches asserted against us by any or all owners of buildings or units within buildings, and their tenants, families, guests, occupants, heirs, assigns, and all others, upon which building we perform services for Client.
 - c. Client agrees that other than for willful misconduct, the sole recourse for actions by our employees is against our firm.
3. **OWNERSHIP OF DOCUMENTS** - All documents, including, but not limited to, drawings, specifications, reports, field notes, laboratory test data, calculations and estimates, prepared by us, pursuant to this Agreement, shall be our sole property. Client agrees that all documents of any nature furnished to Client or Client's agents or designees, if not paid for, will be returned upon demand and will not be used by Client for any purpose whatever. Client further agrees that under no circumstances shall any documents produced by us, pursuant to this Agreement, be used at any location or for any project not expressly provided for in this Agreement without our written permission. We will retain all pertinent records relating to the services performed for a period of five (5) years following development, during which period the records will be made available to the Client at all reasonable times for a mutually agreed upon fee.
4. **REPORTS** - Client agrees that all reports issued by us will specifically not be used to obtain bids, estimates or pricing of any kind from contractors, or other engineers, architects, etc. for needed recommended repairs, replacement, renovation, etc. Unless agreed otherwise, one (1) hard copy and one (1) electronic copy of our reports, including drawings, sketches, specifications, etc., will be sent to the Client. Additional copies and/or distribution can be arranged for a nominal charge.
5. **SERVICES FOR JUDICIAL/ADMINISTRATION PROCEEDINGS** - Reports, letters, design documents, etc. are not to be used in any judicial or administrative procedures, including pre-litigation meetings, mediations, dispute resolutions, etc. unless specifically noted for this use.
6. **FIDUCIARY DUTY** - Client agrees that we do not assume a fiduciary duty in our relationship with the Client for any project.

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.

16. **HIDDEN CONDITIONS** – Investigations and designs for existing buildings require that certain assumptions be made regarding existing conditions. It is cost prohibitive to identify, define and/or detail all existing construction conditions. Therefore, modifications may be required to reports, designs, details, etc. based on hidden conditions that are exposed and/or revealed. These modifications may require additional fees and/or costs for which the Client alone will be responsible.
17. **ADDITIONAL SERVICES** - Any additional or continued services provided will be subject to the same terms and conditions as detailed in our proposal and these General Conditions.
18. **REMEDIAL COSTS** - The remedial fees provided as a result of our services represent our opinions of current anticipated costs. These represent only rough approximations to be used only for preliminary planning. Accurate cost figures can only be obtained by qualified contractors based on properly prepared plans and/or specifications.
19. **CONSTRUCTION ADMINISTRATION** - Client agrees that we will not be expected to make exhaustive or continuous on-site inspections, but that periodic observations appropriate to the construction stage shall be performed. It is further agreed that we will not assume responsibility for the contracting means, methods, techniques, supervision, sequences or procedures of construction. It is understood that field services provided by us will not relieve the contractors of their responsibilities for performing the work in accordance with the plans and specifications, and we will not be responsible for the failure of any contractor to perform work in accordance with the requirements of the contract documents. The words "supervision", "inspection", or "control" are used to mean periodic observation of the work to help verify substantial compliance with the plans, specifications and design concepts. If we are not retained to perform periodic observations or monitoring services during construction, the Client agrees to indemnify and save us harmless from and against all loss, damage, or liability as a result of problems or misinterpretations of our reports, recommendations, specifications or other documents.
20. **SAFETY** - Should our services include periodic observations or monitoring services at the job site during construction, Client agrees that, in accordance with generally accepted construction practices, the contractor will be solely and completely responsible for working conditions on the job site, including safety of all persons and property during the performance of the work, and compliance with OSHA regulations, and that these requirements will apply continuously and not be limited to normal working hours. Any monitoring of the contractor's performance conducted by us is not intended to include review of the adequacy of the contractor's safety measures in, on, adjacent to, or near the construction site.
21. **RIGHT-OF-ENTRY** - Unless otherwise agreed, Client will furnish right-of-entry on the property for us to perform the planned services. We will take reasonable precautions to minimize damage caused by our equipment and personnel, but we have not included in our fee the cost of restoration or damage which may result from our operations and we will not be responsible for the cost of restoration or damage.
22. **SAMPLING OR TESTING LOCATION** - The unit fees included in this proposal do not include costs associated with surveying of the site or the accurate horizontal and vertical locations of tests. Field test locations described in our report or shown on our sketches are based on specific information furnished to us by others or estimates made in the field by our personnel. Such dimensions, depths or elevations should be considered as approximations unless otherwise specifically stated.
23. **SAMPLE DISPOSAL AGREEMENT** - Unless otherwise requested, the test specimens or samples will be disposed of immediately upon completion of tests. Upon written request, we will agree to retain test specimens or samples for a mutually acceptable storage charge.
24. **DAMAGE TO EXISTING MAN-MADE OBJECTS** - It shall be the responsibility of the Client or his duly authorized representative to disclose the presence and accurate location of all hidden or obscure man-made objects, relative to field tests. Our field personnel are trained to recognize clearly identifiable stakes or markings in the field, and without special written instructions, to initiate field-testing and/or sampling within a few feet of each designated location. If we are cautioned, advised or given data in writing that reveal the presence or potential presence of obstructions, such as utilities, we will give special instructions to our field personnel. As evidenced by your acceptance of this proposal, you agree to indemnify and save us harmless from all claims, suits, losses, personal injuries, death and property liability resulting from unusual conditions or damages to structures (including utilities), owned by you or third parties, occurring in the performance of the proposed work, whose presence and exact locations were not revealed to us in writing, and to reimburse us for expenses in connection with any such claims or suits, including reasonable attorney's fees.

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.

PROPOSAL ACCEPTANCE SHEET

Description of Services: Proposal for Professional Engineering and Consulting Services

Project Name: Club Ocean Villas I

Project Location: Ocean City, Maryland

Proposal Number and Date: PM2-8193, September 27, 2022

FOR PAYMENT OF CHARGES - Charge invoice to the account of:

Firm _____

Address _____

Zip Code _____ Phone Number _____ Email: _____

Attention _____ Title _____

FOR APPROVAL OF CHARGES - If the invoice is to be mailed for approval to someone other than the account charged, please indicate where to mail the invoice in the space below.

Firm _____

Address _____

Zip Code _____ Phone Number _____ Email: _____

Attention _____ Title _____

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.

SPECIAL INSTRUCTIONS:

PROPOSAL ACCEPTANCE - The Terms and Conditions of this Proposal, including the Terms on this page and the General Conditions are:

Accepted this _____ day of _____, 20 _____

Print or type individual, firm or corporate body name

Signature of authorized representative

type name of authorized representative and title Print or