

June 28, 2011
Proj No: 11-???

by **eMail**,
and by **Post**

by **Fax**,
and by **Post**

original **Not Sent**

???

Attn: ???

Re: ???
Service and Fee Proposal

Dear Sir;

We are pleased to submit the following service and fee proposal for the subject project.

1. Nature of the Project

From our discussion of Jun 28, 2011 and a review of the preliminary sketch and foundation plans faxed to our office, we understand that you wish us to provide structural engineering services for the fabrication of a support platform for 2 - 100 ton hoppers.

From our discussion of Jun 28, 2011 and a preliminary review of the existing building, we understand that you wish us to provide structural engineering services for analysis and design review of the roof and ceiling framing of the above building.

These services are confined to the design of the structural steel and the review of your shop drawings to ensure that you have followed our design recommendations.

2. Scope of Services

We are to provide structural design services resulting in drawings and specifications as well as construction review of this work on a fixed fee basis.

Construction review is based on our office visiting the site twice during construction and providing 'Site Visit Reports' for these visits. If additional construction review visits are required, these will be invoiced on a *per diem* basis.

In addition, we are to provide the above described services in accordance with the guidelines published by the Association of Professional Engineers of Ontario.

We have included for connection design as a separate cost item in our proposal.

3. Methodology

Our methodology for this project is reasonably straight forward. We have reviewed the preliminary sketches provided by your office and have undertaken a preliminary design. We have, however, provided a preliminary design and a preliminary size for the main members on the attached hand drawn sketch.

From the drawings provided by your office, we will prepare final engineering drawings for your fabrication and erection.

4. Fee Proposal- Base Services

Our Fee Proposal is a fixed fee, based on our estimate of the work involved. Our fees tendered are generally lower than the published guideline of the PEO due to a number of efficiency and experience issues that we have actively cultivated in our office. It must be stressed that we are not intending to reduce the level of service to achieve this.

The scope of the work is multi-faceted and the final outcome is dependant on the initial analysis of the structure. Our fee proposal, therefore, is subdivided to reflect the variable scope.

We propose to provide the above noted services for the following total fixed fees;

Service	Fee
Preparation of Construction Documents	\$8400.00
Preparation of Connection Designs	\$1000.00
Construction Review	\$500.00
Disbursements (estimated)	\$100.00
TOTAL	\$ 10000.00

The fee is predicated on the basis that all the preceding services in the list are undertaken by our firm

The total fee for all services above is ten thousand and XX/100 dollars (**\$10000.00**).

5. Additional Work

Construction review has been excluded and will be charged on a *per diem* basis depending on your requirements or those of the project. It is anticipated that the fees for construction review would be approximately three hundred and 00/100 dollars (\$300.00) per visit.

The majority of the work involved for this project results from design loads generated by the seismic requirements of the Ontario Building Code. These loads are several times greater than any anticipated wind loads.

In reviewing the material provided to our office it appears that the foundations have not been designed to accommodate these high lateral loads. We also understand that the foundations have been constructed. We have not included for a review of the existing foundations or the manner of connection of the foundations to the structural steel support frame.

We also note that the anchor bolts project only 3". This may not be adequate for the grout thickness and the thickness of the base plate of the column. We cannot locate the diameter or the quantity of the anchor bolts installed. It is not known if adequate capacity for horizontal shear has been included or if the bolt pattern is compatible with the column sizes selected.

We do not know if the hoppers have been designed for seismic loading. Design of the connection of the hopper to the structural steel must be coordinated by others. If we are provided with seismic loads at the time of design, we can include this on our drawing.

Any additional work caused by the connection of the hoppers to the structural steel, or to connect the structural steel to the foundations would be invoiced on a *per diem* basis.

6. Hourly Rates and Disbursements

We have included, in Appendix 'A' our billing rates and disbursement costs for services from January, 2011 to December, 2011. We do not expect any significant changes in the upcoming year, and it is not our policy to change rates within the duration of a project.

7. Instruments of Service

All documents provided by our firm and our sub consultants are instruments of service and remain our property.

All drawings, except preliminary concept drawings are prepared using the current version of AutoCAD. Digital vector image files (*.dxf) or AutoCAD drawing files (*.dwg) of these drawings are available at your request. All specifications, and drawing notes are prepared using a computerized word processor. Personal Document File (*.pdf) images of these documents are also available at your request and can be viewed by the Adobe Acrobat Reader. Please remember that this information is copyrighted.

8. Taxes

Our proposal for fees and reimbursable expenses is subject to the Goods and Services Tax. Taxes have been excluded from the above fee quotation.

9. Sub Consultants

We will not likely require the services of any sub-consultants to execute the scope of work anticipated for this project; should sub-consultants be required, we will advise you prior to their involvement of the need and the reason.

10. Invoicing and Payment of Fees

Fees and disbursements will be invoiced on a target basis in accordance with our fixed fee proposal.

Invoices are payable upon receipt and a 2.00% per month late payment charge will be

applied after 30 days.

11. Work Schedule

Our present work load is moderate. We understand that this project has a fairly tight schedule and we would be prepared to start within 1 week of receiving notice of project. We expect the design work to take 1.5 weeks to complete.

12. Fee Proposal Limitation

This fee proposal is valid for 30 days. If accepted between 30 and 60 days, we will honour the quoted fee, but may not be able to honour the schedule.

13. Notes

In order to prepare this fee proposal we have had to make a number of assumptions that may not be consistent with your wishes or the program that evolves. In making your choice of a design consultant it is important to recognize the role that you as a contributing client play in defining the scope of work as the design process proceeds.

The fee presented assumes that the actual construction work will be commenced in the near future. Should the work be delayed and changes occur to the building code in effect at the time our documents were prepared, there may be additional fees to review the work and to modify it for compliance to the new building code.

14. Summary

We thank you for this opportunity to provide a fee proposal and look forward to working with you in the near future.

Yours truly,

Dik Coates, P.Eng.

Hourly Rates and Disbursements

Hourly Rates

Principal Engineer/Architect	\$180.00/hour
Senior Architect	\$150.00/hour
Senior Engineer	\$150.00/hour
Intermediate Technologist	\$100.00/hour
Senior Draftsmen	\$100.00/hour
Intermediate Draftsmen	\$80.00/hour
Junior Draftsmen	\$60.00/hour
Clerical	\$30.00/hour
Field Technician	\$60.00/hour

Hourly Rates (Litigation Support and Research)

Principal Engineer/Architect	\$ 300.00/hour
Senior Architect	\$ 200.00/hour
Senior Engineer	\$ 200.00/hour

Disbursement Costs

Blue Print Charges:

Photocopies	\$ 0.20 each
Size B - 11" x 17"	\$ 1.00 each
Size C - 17" x 22"	\$ 1.75 each
Size D - 22" x 34"	\$ 3.00 each
Size D1- 24" x 36"	\$ 4.00 each
Size E - 30" x 42"	\$ 4.50 each
Size F - 36" x 48"	\$ 5.00 each

Miscellaneous

Concrete cylinder tests	\$ 40.00 each
Facsimile Charges:	\$ 1.25 per minute or part thereof
Colour Photographs	\$ 2.50 per print
Digital Photo's	\$ 0.75 per print
Colour Photocopies	\$2.50 per print
Report Bindings	\$ 5.00 each
Computer CD's	\$ 5.00 each
Ground Travel costs	\$ 0.45 per Km
Air Travel costs	\$ 80.00 per hour

Courier charges,
 Long distance telephone,
 Permits, fees and Applications: Cost Plus 5%.