

April 9<sup>th</sup>, 2018  
Panorama Ranches HOA  
Carbondale, CO

**RE: SGM Scope and Fee Proposal for Panorama Ranches HOA  
Water System Evaluation and CDPHE Permitting**

Dear Karen:

This letter presents SGM's proposed scope of work and associated fee estimate to provide professional engineering services to Panorama Ranches HOA (HOA). We are proposing to evaluate your water system to determine necessary improvements to meet CDPHE chlorine contact time requirements. This evaluation will focus on meeting the following goals:

- Submitting an Application for Construction (AOC) and Basis Design Report (BDR) to Colorado Department of Public Health and Environment for chlorine contact time approval.
- Propose capital system changes to increase main storage tank fill rate, with evaluation of the current limiting pumping rates.

The scope of work is based on email and site visit conversations about the HOA water system. SGM is committed to helping small Western Colorado communities, such as yours identify innovative and practical solutions. SGM has many years of experience of helping small communities and HOAs successfully submit CDPHE permit applications. Our ongoing working relationship with CDPHE allows open communication channels during the application preparation and review to ensure successful submissions.

**PROPOSED SCOPE**

**Task 01 – Project Management and Correspondence**

*Objective:*

Provide for communications and coordination necessary to support efficient, effective, and timely project execution.

*Sub-tasks:*

- Communicate with HOA, and CDPHE, as needed, on project progress, etc.
- Review invoices and prepare written summary report on progress via email (assumes 3 billing months and associated invoices).
- Coordinate internally, as needed.

## **Task 02 – Existing System Conditions Evaluation**

### *Objective:*

Understand the existing water system infrastructure to begin developing serpentine piping chlorine contact solution, and increase main tank infill as discussed with the HOA at the site visit.

### *Sub-tasks:*

- Review existing information sent from HOA regarding the well construction details and pumping tests, chlorine contact system, water conveyance infrastructure, and tank construction.
- Site Visit to confirm as-built elements, lengths, layout if needed.
  - Pipeline lengths, and tank conditions need to be evaluated for CDPHE submittal. If adequate information is available on these items then a site visit will not be necessary.

## **Task 03 – CDPHE Permit Application Development**

### *Objective:*

Design a feasible chlorine contact system, and propose improvements to increase main tank infill rate. \*Please note a contingent sub-task is located under these tasks, if serpentine proves unfeasible for the location and system.

### *Sub-tasks:*

- Develop full application and design report for HOA. This includes a detailed overview of system conditions, required mapping, and gathering of other historical documents requested by CDPHE.
- Analyze serpentine piping option for chlorine contact system.
- Perform necessary calculations to determine best combination of pipe size and length to meet requirements.
- Analyze existing tank infrastructure to identify possible solutions to increase tank infill rate.

### **\*Contingent Sub-Task**

- In the event that the serpentine piping proves to be unfeasible, other alternatives will need to be evaluated. This sub-task is therefore listed as a separate line item in the fee and proposal to highlight this time will only be used if other alternatives need to be explored.

### *Deliverables:*

- Application for Construction Approval, which includes a detailed Basis of Design Report (BDR). This final package will serve as a reference manual and system engineering report

for the HOA, as it will combine all up to date documentation, system evaluation, and compliance information in one report.

**SCHEDULE**

System evaluations and preparation of CDPHE permit applications typically take 2-3 months from commencement of work to application submission. This time range is dependent upon system complexity, and design criteria intricacies which must be met. After the application is submitted, CDPHE typically review permits in 1-2 months depending upon their backlog. SGM can provide more specific dates in accordance with Panorama Ranches desired timeline.

**FEE ESTIMATE**

SGM estimates the fees shown in the table below to execute the scope outlined above. Note the fee outlined in this table includes both contingent tasks being completed. Please reference the attached fee for differences in costs based upon contingent sub-tasks.

No.	Task Description	Total Fee
01	Project Management and Correspondence	\$2,726
02	Existing System Conditions Evaluation	\$853
03	CDPHE Permit Application Development	\$5,909
R	Reimbursable	\$56
	<b>Total for Tasks 01-03</b>	<b>\$9,608</b>

Changes in scope requested by HOA or due to circumstances beyond SGM’s control may require an adjustment in the project budget prior to execution of the additional work. SGM has worked to try and identify possible out-of-scope items as described under Tasks 2 and 3 in the proposal.

We look forward to discussing this proposal with you. Please let us know if you have any questions or concerns regarding the scope and fee estimate. You can contact me at 970-384-9060. Thank you for your interest in SGM.

Sincerely,



**SGM**  
Maggie McHugh, EI  
Design Engineer

Attached:  
Fee Estimate  
Rate Sheet  
Contract

# Panorama Ranches HOA

SGM, INC. - ENGINEERING SERVICES FEE ESTIMATE							
<b>Client: Panorama HOA</b> <b>Project: Water System Evaluation and CDPHE Permitting</b> SGM #: TBD Project Manager: Rick Huggins, PE							
Task	Task Description	Sub Task	Description	Rick Huggins, PE	Maggie McHugh, EI	Total Hours	Task Totals
				Engineer IV	Engineer II		
				\$129	\$104		
<b>1</b>	<b>Project Management</b>						
		1	Client Communication, Progress Updates, Invoice Reviews	4	15	19	\$2,076
		2	CDPHE Correspondence	2	4	6	\$674
		<b>Total Hours</b>		<b>6</b>	<b>19</b>		
		<b>Total Cost</b>		<b>\$774</b>	<b>\$1,976</b>	<b>25</b>	<b>\$2,750</b>
<b>2</b>	<b>System Evaluation</b>						
		1	Reivew of Design documents	1	4	5	\$545
		2	Site Visit (if needed)		3	3	\$312
		<b>Total Hours</b>		<b>1</b>	<b>7</b>		
		<b>Total Cost</b>		<b>\$129</b>	<b>\$728</b>	<b>8</b>	<b>\$857</b>
<b>3</b>	<b>CDPHE Application Development</b>						
		1	Team/SGM Staff meetings	3	3	6	\$699
		2	BDR Development		25	25	\$2,600
		4	Construction Drawings		10	10	\$1,040
		5	<i>This is contingent sub-task</i> Re-evaluation of Chlorine Contact Options	2	8	10	\$1,090
		6	QA/QC Review	4		4	\$516
		<b>Total Hours</b>		<b>9</b>	<b>46</b>		
		<b>Total Cost</b>		<b>\$1,161</b>	<b>\$4,784</b>	<b>55</b>	<b>\$5,945</b>
<b>R Reimbursables</b>							
		1 Site Visit (37.4 miles RT)		\$20.38			\$20.38
<b>Non-Contingent Cost</b>	<b>GRAND TOTAL Assuming no Contingent sub-tasks are needed (Site visit or Chlorine contact Re-evaluation)</b>						
	<b>Total Hours</b>			<b>14</b>	<b>61</b>	<b>75</b>	
	<b>Total Cost</b>			<b>\$1,806</b>	<b>\$6,344</b>	<b>75</b>	<b>\$8,170</b>
<b>Contingent Cost</b>	<b>GRAND TOTAL Assuming all Contingencies Occur</b>						
	<b>Total Hours</b>			<b>16</b>	<b>72</b>	<b>88</b>	
	<b>Total Cost</b>			<b>\$2,064</b>	<b>\$7,488</b>	<b>88</b>	<b>\$9,572</b>



**FEE SCHEDULE 2018  
HOURLY RATE**

PRINCIPAL ENGINEER.....	\$188.00
SENIOR ENGINEER II.....	\$161.00
SENIOR ENGINEER I.....	\$146.00
ENGINEER IV.....	\$129.00
ENGINEER III.....	\$117.00
ENGINEER II.....	\$104.00
ENGINEER I.....	\$ 90.00
SENIOR PROJECT MANAGER.....	\$134.00
PROJECT MANAGER.....	\$124.00
PRINCIPAL CONSULTANT.....	\$188.00
SENIOR CONSULTANT II.....	\$150.00
SENIOR CONSULTANT I.....	\$129.00
CONSULTANT III.....	\$112.00
CONSULTANT II.....	\$ 97.00
CONSULTANT I.....	\$ 87.00
TECHNICIAN III.....	\$ 75.00
TECHNICIAN II.....	\$ 64.00
TECHNICIAN I.....	\$ 54.00
CLERICAL.....	\$ 70.00
SENIOR CADD/GIS.....	\$124.00
CADD/GIS III.....	\$107.00
CADD/GIS II.....	\$ 97.00
CADD/GIS I.....	\$ 80.00
CONSTRUCTION MANAGER.....	\$117.00
CONSTRUCTION TECHNICIAN II.....	\$107.00
CONSTRUCTION TECHNICIAN I.....	\$ 97.00
SURVEY MANAGER.....	\$150.00
LAND SURVEYOR.....	\$125.00
SURVEY PROJECT MANAGER.....	\$105.00
SURVEY TECHNICIAN.....	\$ 90.00
FIELD SURVEY (1-Man Crew).....	\$150.00
FIELD SURVEY (2-Man Crew).....	\$200.00
EXPERT TESTIMONY.....	\$338.00

**REIMBURSABLES**

<b><u>Equipment</u></b>	<b><u>Rate</u></b>
Vehicle Mileage.....	\$.0545/mile
ATV / Snowmobile.....	\$125.00/day
UTV.....	\$250.00/day
Flow Tote.....	\$125.00/day

<b><u>Reproduction</u></b>	
Black & White Plots.....	\$ 5.50/sheet
Mylar Plots.....	\$19.00/sheet
Color Plots.....	\$30.00/sheet
Photocopies.....	\$ 0.25/page

**Miscellaneous**

Overtime will be charged out at 1½ times hourly rate. 10% will be added to all direct expenses, including FedEx, special delivery and courier charges, special consultants, subcontractors, laboratory tests, airfare, lodging, meals, car rental, telephone, outside printing expense, etc.

**Interest of 1.5% per month will be charged for invoices past 30 days.**



## AGREEMENT FOR PROFESSIONAL SERVICES

Date: \_\_\_\_\_ Project Name: \_\_\_\_\_  
 Client Name: \_\_\_\_\_ Description: \_\_\_\_\_  
 Address: \_\_\_\_\_ Contact Person: \_\_\_\_\_  
 City: \_\_\_\_\_ Project Manager: \_\_\_\_\_  
 State & Zip: \_\_\_\_\_ SGM Project No.: \_\_\_\_\_  
 Phone: \_\_\_\_\_  
 Mailing Address (if other than above): \_\_\_\_\_

Client requests and authorizes Schmueser Gordon Meyer, Inc. (SGM) to perform the following services:

**Scope of Work:** (including assumptions, limitations & exclusions) \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**Legal Description of Property:** (including owner's name, address & phone) \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**Time & Compensation** by Client to SGM will be on the basis of: (Time & Materials per current Fee Schedule, Not to Exceed amount, Lump Sum, Per Proposal, etc.) \_\_\_\_\_  
 \_\_\_\_\_

When compensation is on a cost-reimbursable basis, a service charge of **10%** will be added to Direct Expenses. All sales, use, value added, business transfer, gross receipts, or other similar taxes will be added to SGM's compensation when invoicing Client.

**Other Terms:**

Services covered by this Agreement will be performed in accordance with the Provisions stated on the next two (2) pages along with any attachments or schedules. This Agreement supersedes all prior agreements and understandings and may only be changed by written amendment executed by both parties.

IN WITNESS WHEREOF, the parties have made and executed this Agreement to be effective as of the date first above written.

**CLIENT**

BY: \_\_\_\_\_  
 NAME: \_\_\_\_\_  
(PLEASE PRINT)  
 DATE: \_\_\_\_\_

**SGM**

BY: \_\_\_\_\_  
 NAME: \_\_\_\_\_  
(PLEASE PRINT)  
 DATE: \_\_\_\_\_

**CLIENT'S REPRESENTATIVE**

BY: \_\_\_\_\_  
 NAME: \_\_\_\_\_  
(PLEASE PRINT)  
 DATE: \_\_\_\_\_

# Provisions

## 1. Authorization to Proceed

Execution of this Agreement by Client will be authorization for SGM to proceed with the Project, unless otherwise provided for in this Agreement.

## 2. Billing Rates

Both parties understand and agree that all work not specifically delineated within the scope of work described herein shall be billed on a time and materials basis and shall be in addition to any budget, bid or maximum price agreement for the above-described Scope of Work. Fee adjustments shall be made accordingly for delays and interruptions not the fault of SGM.

## 3. Direct Expenses

SGM Direct Expenses are those necessary costs and charges incurred for the Project including, but not limited to: (1) the direct costs of transportation, meals and lodging, mail, courier services, equipment materials and supplies; (2) SGM's current standard rate charges for direct use of SGM's vehicles, computing systems, word processing and printing.

## 4. Standard of Care

Services performed under this Agreement are performed with care and skill ordinarily exercised by members of the profession practicing under similar conditions at the same time and in the same or similar locality. No warranty, expressed or implied, is made or intended by the interpretation of consulting services or by furnishing oral or written reports of the findings made. SGM's services shall be performed as expeditiously as is consistent with professional skill and care and the orderly progress of the Project.

## 5. Termination

This Agreement may be terminated for convenience on 30 days written notice, or for cause, if either party fails substantially to perform through no fault of the other and does not commence correction of such non-performance within 5 days of written notice and diligently complete the correction thereafter. On termination, SGM will be paid for all authorized work performed up to the termination date plus any related closeout costs such as copying of

files, blueprints copies, etc.. If no notice of termination is given, relationships and obligations created by this Agreement will be terminated upon completion of all applicable requirements of this Agreement.

## 6. Payment to SGM

All fees, commissions, product charges and expenses billed shall be due within thirty (30) days of the date of billing. Interest on unpaid or late bills shall accrue at 1½ percent per month (18.0 % A.P.R.). In the event any sum is not timely paid, SGM shall be entitled to the recovery of all costs of collection, including reasonable attorney's fees and expenses. In addition to any right and remedy conferred hereunder or by law, SGM shall specifically have the right to assert a lien on the property described above. Client agrees that all Statements not objected to in writing within fifteen (15) days of receipt are assumed to be final and binding upon the parties as to the amount due, the adequacy of SGM's performance and the value of the services provided to Client.

## 7. Venue

This Agreement is subject to the Laws of the State of Colorado, the venue of the County of \_\_\_\_\_ shall control any proceedings arising in the transaction described herein.

## 8. Engineers' Responsibilities

Engineer shall review laws, codes, and regulations applicable to the Engineers' services. The Engineer shall respond in the design of the Project to requirements imposed by governmental authorities having jurisdiction over the Project. Engineer's certification of the amounts due the Engineer shall constitute a representation that to the best of the Engineer's knowledge, information & belief, the quality of the work is in accordance with the contract documents. Engineers may review shopdrawings "for the limited purpose of checking for conformance with information given & the design concept expressed in the Contract Documents." This review will not relieve the Contractor or client from the responsibility for errors or deviations from the Contract requirements. "Contract Documents" include; Advertisement For Bid, Instructions To Bidders, Bid, Agreement, General Conditions, Supplementary General Conditions, Notice of



Award, Notice To Proceed, Change Order, Drawings, Specifications and Addenda.

**9. Insurance**

SGM shall secure and maintain throughout the full period of this Agreement, sufficient insurance to protect itself adequately from claims made by its employees under applicable Workers' Compensation Act and from claims of bodily injury, death or property damage as may arise from the performance of services under the Agreement. CLIENT must obtain its own insurance. SGM will, upon request, file certification of such insurance coverage with CLIENT or authorized representative.

**10. Limitation of Liability**

The liability of SGM, for any actions, damages, claims, demands, judgments, losses, costs and expenses arising out of or resulting from the negligent acts, errors or omissions of SGM is limited to the proceeds available to SGM. The term 'proceeds available to SGM' means the proceeds of liability and/or errors and omissions insurance available to SGM. The parties understand and agree that SGM is acting as an engineer and not as a contractor hereunder and nothing shall be construed as imposing on SGM any duty or obligation to have authority over Contractor's work, nor shall SGM have authority over, or responsibility for, the means, methods, techniques, sequences or procedures of construction selected by the Contractor, or for safety precautions and programs incident to the work of the Contractor, or for any failure of the Contractor to comply with laws, rules, regulations, ordinances, codes or orders

applicable to the Contractor furnishing and performing the work.

**11. Indemnity**

Client and SGM each agree to indemnify and hold the other harmless, and their respective officers, employees, agents, and representatives, from and against liability for all claims, losses, damages, and expenses, including reasonable attorney fees, claimed by third parties to the extent such claims, losses, damages, or expenses are caused by the indemnifying party's negligent acts, errors or omissions. In the event claims, losses, damages or expenses are caused by the joint or concurrent negligence of Client and SGM, they shall be borne by each party in proportion to their respective negligence.

**12. Opinions of Cost**

When included in SGM's scope of services, opinions or estimates of probable construction cost are prepared on the basis of SGM's experience and qualifications and represent SGM's judgment as a professional generally familiar with the industry. However, since SGM has no control over the cost of labor, materials, equipment, or services furnished by others, over contractor's methods of determining prices, or over competitive bidding or market conditions, SGM cannot and does not guarantee that proposals, bids, or actual construction cost will not vary from SGM's opinions or estimates of probable construction cost.