



Date: March 3, 2008

To:

**Job:**

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## Fee Proposal

**Standard Shop Drawing Services** – the below services are included in this fee proposal:

- 1/4" per foot submittal drawings showing all ductwork.
- Elevations and dimensions locating all ductwork and equipment
- Proper sizes for all mechanical equipment (ahu's, fans, etc.)
- Connection sizes to equipment.
- Mechanical room - dimensions locating equipment and housekeeping pads
- Drawings in PDF format to be plotted within your office. CAD files submitted upon request.
- Areas of concern will either be denoted on the drawings or under separate letter (email). Any items that may cause additional costs to you will be in the letter. Any questions and/or comments to engineer will be noted on drawings.
- All bought parts (air devices, fire dampers, volume dampers, etc) will be scheduled on the drawings.
- All built items (ductwork, etc) will be scheduled on separate 8 1/2x11 sheets with corresponding piece numbers on the drawings.
- Final drawings can also be published in a 3D format that can be reviewed via a free viewer.
- Asbuilts – maximum 5 hours. Submitted by electronic copy only (CD or email). Updated plotting per Additional Fees scheduled below.
- Equipment curb locations

**Other Shop Drawing Services** – the below services which may be included in this Fee Proposal. If not, they can be added prior to the start of work, via a new Fee Proposal, or charged per the Additional Fees listed below:

<b>Service</b>	<b>Included</b>	<b>Not Included</b>
On site meetings		√
Coordination with other trades (electrical, plumbing, and fire protection)		√
Penetration locations – walls, roof, and slabs	√	
Penetration locations - tilt-wall		√
Assembly of electronic files from other contractors (electrical, plumbing, and fire protection) for composite drawings. Drawings will be plotted with each trade in a different color and shipped back to your address.		√
Mechanical Piping – no valves, accessories	√	
Mechanical Piping – includes all valves, accessories		√
Plumbing		√
Plotting – black and white, in house only. Color plots for coordination per optional shop drawing services schedule.	√	
Printing		√
Shipping to and from CAD by Ken, Inc		√
Design build assistance – make changes to the engineer’s design without consultation, provide additional or alternate sizing, routing, etc where not noted.		√
Engineering checks – check air velocities, noise levels, verify air cfm values are the same as shown on drawings and schedules (VAV, AHU, fans, air devices, etc)		√
Electrical characteristics – verify submitted equipment matches electrical characteristics shown on electrical engineer’s drawings.		√
Hanger locations – includes type, length, and dimensions locating hangers using Trimble Total Station package		√
Thermostat locations		√
Air leakage reports – for test and balancing		√

**Total Fee = \$** ██████████

**Note: this fee is not a design-build fee but is based on the engineer’s drawings. Design-build, for purposes of this proposal, is an agreement between owner and contractors and the contractor’s subs to modify the design as required, sometimes without prior approval from the engineer. If this is a Design-build contract please notify CAD by Ken, Inc *immediately* for**

**a revised price. If work has started on a Design-build type project without CAD by Ken, Inc's knowledge, then work will immediately cease until a revised fee can be worked out.**

### **Startup Fees**

A startup fee will be required prior to any work starting. The fees are as follows:

- If the Total Fee is less than \$3,001 then partial invoices will be made at 50% (prior to startup) and 100%.
- If the Total Fee is between \$3,001 and \$9,000 then partial invoices will be made at 25% (prior to startup), 50%, 75%, and 100%.
- If the Total Fee is between \$9,001 and \$15,000 then partial invoices will be made at 20% (prior to startup), 40%, 60%, 80%, and 100%.
- If the Total Fee is greater than \$15,000 then a payment schedule will be worked out prior to the start of work.

### **Additional Fees**

- Any additional work will be billed at [REDACTED] hr.
- Any additional overtime work will be billed at [REDACTED]/hr. Overtime is defined by work that has a quick turn around time *and* has to be worked into projects already scheduled.
- Any additional plotting will be billed at [REDACTED]/sq ft (\$ [REDACTED] per 42x30 sheet)
- Late payment – Past 30 days due @ 1.5% per month for outstanding amount. If payments continue to be delayed, it is CAD by Ken, Inc's right to stop any and all work.
- Note: any work that is the result of a PR (proposal request), change order, addendum, and/or architectural/engineering revisions will be billed at the additional fee rate or, if you choose, a Proposal for Additional Services can be submitted.
- Site visits, including travel, will be billed at a minimum of \$640 (up to 8 hours). Any additional time after that will be billed at the above time plus overtime rates for hours past eight.
- Site visits that are not within ½ days travel time will have all transportation (airline tickets, rental car expenses, fuel, etc), lodging, and food expenses reimbursed.
- Missed or changed items – occasionally engineer's design doesn't match their intent. This could be because something was left out or they do not provide sufficient space for their design. For these items we have spend time noting that what was missed; size/resize and locate/relocate the missed items; and then have several conversations via phone or email following up with the added items. For missed items we make it easier for our contractors by noting the added items in the schedules. When it comes to change orders, we ask that the following amounts are added in for our time.

Item Description	Additional Fee - per missed item
Fire damper, smoke damper, fire/smoke damper	■
Air devices – includes sizing	■
Increase in louver size	■
Return air opening sizing – includes checking all walls that go to bottom of deck, calculating the amount of air being transferred, sizing the required opening size (based on 500 fpm), and locating the opening elevation.	■
Calculating the return air cfm at a grille for balancing	■
Tight ceiling conditions – having to flatten ductwork by 25% or more to fit within ceiling space. This could also cause a significant sheetmetal cost increase to your company.	Varies per job

### Project Information Requirements

In order to fulfill the above requirements of this job the following are needed.

Medium with a \* is the preferred method:

Item	Electronic	Paper	Either
Mechanical engineer's floor plans	√		
Architectural ceiling plan for coordination	√		
Structural drawings	√		
Steel erection drawings, once completed by fabricator	*		√
Complete and approved mechanical equipment submittals	*		√
Engineer's specifications	*		√
Completed Mechanical Contractor Questionnaire			√
Completed Mechanical Engineer Questionnaire			√
Job phasing schedule and any floor, building, or other area(s) that are needed first.			√
Complete set of drawings that are required to complete job, in print form, which includes Architectural, Civil, Electrical, Fire Protection, Mechanical, Plumbing, and Structural.		√	
Updates as to change orders, RFI's, etc. that would cause changes to sheetmetal drawings. Additional charges will apply if not included with above items.			√

- The price above includes the use of CAD files. If these cannot be obtained from the architect, engineer, or owner, then additional costs will be associated with this project. These additional costs will not only be billed at the above OVERTIME rate, but it will significantly impact the project deadline.

- With the exception of CAD files, electronic can be in emailed (PDF format) faxed, or sent by common carrier (USPS, Federal Express, UPS, etc). CAD files can be emailed or uploaded to a FTP site for download. Contact us for details on large (> 5MB) files.
- Electronic drawing format shall be compatible with AutoCAD 2008. Any AutoCAD year prior to this one is compatible. We can also use drawings in AutoCAD MEP, formally known as Autodesk Building Systems, format.

### **Liability Insurance**

Presently we do not carry any type of Liability Insurance. If in the event that there is ever the need to correct a mistake that CAD by Ken, Inc has made, we will correct the drawing(s) at no additional cost. Additionally, if we have done something that has cost our clients a significant amount of money, and we are obligated to reimburse our clients, an arrangement can be made. However, the amount of our obligation shall not exceed the amount of this Total Fee. If you feel that this project requires Liability Insurance, an arrangement must be made prior to the acceptance of this Fee Proposal. Additionally, this requirement will change the Fee Proposal significantly.

### **Completion Date**

Time of completion is [REDACTED] Individual areas can be submitted when completed per your request.

Please note that if **any** of the Project Information Requirements are not submitted to CAD by Ken, Inc four weeks prior to the estimated completion date this may result in delays to the completion of the job. If there continues to be a pattern of information not being received, this contract may be cancelled by CAD by Ken, Inc. If this contract is cancelled by you, your company, or a representative of your company then there may be a fee incurred, per the Additional Fees, for time and materials on work, including estimates, for work already performed.

If CAD by Ken, Inc does not meet the above stated completion date there will be a penalty of 1% per day against the Total Fee. The penalty will be deducted from the final invoice which is billed when work is at 100% completion.

If there are any questions please do not hesitate to call me. Thank you for your business.