



May 25, 2006

Mr. Rod Johnson  
Rapid City Public Works Department  
300 Sixth Street  
Rapid City, SD 57701

**Re: Professional Design Services for:  
Roof Replacement on several City of Rapid City Buildings**

Dear Rod,

Thank you for the opportunity to propose professional design services required for the Roof Replacement on several City of Rapid City Buildings. Our Understanding and Approach to your Project is as follows:

Understanding of Your Project:

- The following buildings will be considered for design and bidding:
  - Fire Station #1: The current roof includes three flat varying height sections with various mechanical and radio equipment placed on each level. Some areas show signs of shrinking underlay with tearing and leakage. Existing roof types include a ballasted membrane and BUR on concrete and metal deck substrates. Some mechanical equipment will need to be removed from the roof.
  - Fire Station #5: The proposed section for repair is the low slope roof above the equipment bay. It currently leaks along the west wall and has an over sized expansion joint that could be eliminated. Existing assembly is a BUR on metal decking. Additional drains should be incorporated into the new roofing system. Also the flashing on the peaked roof should be sealed and reattached.
  - Wilderness Park Resort: The current roof is a single slope flat roof. The fascia may need to be removed/repared due to extensive weather damage.
  - Canyon Lake Park Storage Building: The existing roof is a peaked roof. Ideally the new roof would match the nearby roofs of the park shelters, possibly of a metal material.
  - Meadow Brook Starter Shack: The current roof is a 1/12 pitched roof with rolled roofing. A new metal roof could be considered for this. The fascia will also need to be repaired.
  - Meadow Brook Pump House: This location is included in the proposal as an alternate item. The roof is a pitched roof with two access panels on the East; it may be possible to eliminate those panels. The roof should be done to match the Starter Shack and will also need repair work on the fascia.

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- Storybook Island Maintenance Shop: The existing roof is flat with a low slope. It consists of a BUR with gravel. There will also need to be some repair done to the fascia.
- Storybook Island Concessions Stand: The concessions roof is a flat, low sloped consisting of rolled roofing on lower section and BUR on raised portion. The lower area could be built up for a unified roofline. The fascia and soffits need to be replaced as they have extensive weather damage.
- Rushmore Plaza Civic Center (*Alternate*): The Theater roof consists of three different levels of BUR over metal deck substrates.
- Water Reclamation Facility – Old Administration: Existing roof consists of a ballasted membrane on metal deck substrate.
- Water Reclamation Facility – Maintenance Building: Existing roof consists of a BUR on a concrete deck substrate.
- It is intended to design all roofs and produce bid documents for one contract for construction.
- The RPCC Theatre roof would need to be bid as an alternate. It is possible that there would not be funding for this roof.
- Each roof could be a bid item so that costs could be allocated to specific budgets or accounts.
- It is desired for the projects to utilize a standard design and specification that has been proven to meet the demands of the environmental conditions of the area.
- A bid period of late summer would allow for Fall 2006 construction.

#### Approach to Your Project:

1. As proposed in the initial Statement of Interest for your project, the schedule we intend to follow allows for a series of developmental and progress meetings. These meetings will take place at regular intervals throughout the entirety of the project and will aid in maintaining the timetable desired by the Owner:
  - a. **June 1 – 15:** Collect as-built information for each site and develop a set of electronic backgrounds.
  - b. **June 15 – 30:** Develop design details and specifications through the design process. Meet with the Owners for design development and for project updates.
  - c. **July 1 –31:** Review and finalize the construction documents and specifications with the Owners and facility managers.
  - d. **August 1-15:** Place advertisements for bid opening with Owners.
  - e. **August 15-31:** Hold bid period and bid opening with Owners. Work through recommendations for awarding contracts.
  - f. **September 1 –31:** Award contracts and mobilize the contractors and sub contractors. Issue the Notice to Proceed.
  - g. **October to November:** Continue construction phase with regular construction progress meetings with Architect, Contractor and Owner.
  - h. **December:** Complete construction and do Final Inspection(s). Issue closeout documentation.

2. We propose to provide the above design and construction phase services outlined above for \$23,700 and as follows:
  - a. The costs for design of each roof would be equal to the construction cost breakdown for each roof.
  - b. If the RPCC Theatre roof is not designed at this time there would be a deduct of 20% of the fee (\$4,780)
  - c. Reimbursable expenses for bid issue printing, postage and other misc. costs will be as per our attached reimbursable expense rate sheet, not to exceed \$1,000.
  - d. Additional services requested and approved beyond those included above will be at our normal rates outlined in the attached hourly rate sheet.
3. We have provided an Authorization and Agreement for Services for signature.

ARC International, Inc. thanks you for the opportunity to submit this proposal for professional design services. Please let us know if you should have any questions concerning this proposal. We look forward to the opportunity to work with you.

Sincerely,

  
**ARC International, Inc.**  
Donovan Broberg, Architect



**AUTHORIZATION AND AGREEMENT FOR SERVICES**

**CLIENT INFORMATION:**

Job Number: 2006-011

Date Received: 5.18.06 Taken By: Donovan Broberg From Whom: Mr. Rod Johnson

Name: City of Rapid City Phone: 605.394.4165 Fax: 605.394.6636

Billing Address: 300 Sixth Street City/State/Zip: Rapid City, SD 57701

**PROJECT INFORMATION:**

Job Title: Reroof of several City of Rapid City Buildings

City/County/State: Rapid City, Pennington, South Dakota

Estimated Completion Date: Winter 2006 / 2007

Description of Work: Provide design and construction administration services per attached May 25, 2006 outline of Understanding and Approach to the project.

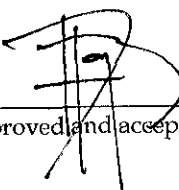
**BILLING ARRANGEMENTS:** (all amounts are subject to applicable sales and use tax):

Invoice monthly for progress accomplished.

**AGREEMENT:** CLIENT AGREES TO THE GENERAL TERMS AND CONDITIONS ATTACHED WHICH ARE A PART OF THIS AGREEMENT. PLEASE READ, SIGN AND RETURN ONE COPY TO ADDRESS BELOW. WORK WILL NOT COMMENCE OR BE SCHEDULED UNTIL SIGNED AND COPY RETURNED. THIS INSTRUMENT SHALL NOT CONSTITUTE AN AGREEMENT OR CONTRACT BETWEEN THE PARTIES UNTIL EXECUTED BY **ARC International, Inc.** RETURN OF FULLY EXECUTED COPY TO: **ARC International, Inc.; 1825 Clark Street Suite 101; Rapid City, SD 57702** SHALL CONSTITUTE A NOTICE TO PROCEED WITH THE WORK.

By: \_\_\_\_\_ Printed Name: \_\_\_\_\_ Date: \_\_\_\_\_  
 Approved and accepted by **City of Rapid City**

Attest: \_\_\_\_\_

By:  Typed Name: Donovan Broberg, President Date: May 25, 2006  
 Approved and accepted by **ARC International, Inc.**

## GENERAL TERMS AND CONDITIONS

### GENERAL CONDITIONS:

1. Where applicable, proposed fees constitute our best estimate of the charges required to perform the services as defined. Except as provided otherwise, the project scope will not be modified without written mutual agreement. Where project scope is expanded by Client, Client will be responsible for payment for services resulting there from. For those projects involving conceptual or process development services, activities often cannot be fully defined during initial planning. As the project progresses, if facts are uncovered which may alter the scope, ARC International, Inc., (hereinafter referred to as "Architect") will inform the Client of such situation so that changes in scope and compensation can be negotiated as required.
2. The Architect will provide all services in accordance with generally accepted professional practices. The Architect will not provide or offer to provide services inconsistent with or contrary to such practices nor make any warranty or guarantee, expressed or implied, nor to have any agreement or contract for services subject to the provisions of any uniform commercial code.
3. Cancellations of the Agreement by the Client shall be effective seven (7) days after written notice to the Architect. The written notice shall include the reasons and details for cancellation. A final invoice will be prepared for all charges incurred through the date of cancellation; and payment will be due as stated elsewhere herein.
4. If the Client violates any of the agreements entered into between the Architect and the Client, or if the Client fails to carry out any of the duties contained in these terms and conditions, the Architect may, upon seven (7) days' written notice to the Client, suspend its services and/or terminate this Agreement with the Client without further obligation or liability to the Architect, unless within such seven (7) day period, the Client remedies such violation to the reasonable satisfaction of the Architect.

### PAYMENT FOR SERVICES:

5. Method of payment shall be as identified elsewhere. The Architect will bill the Client monthly or as otherwise determined applicable, as work progresses. Invoice amounts are due and payable in full within thirty (30) days of the invoice date. Accounts unpaid after said 30-day period shall be in default and shall be subject to a default of late payment charge computed at the rate of one percent (1.0%) per month, based upon the unpaid balance of the account dating from the invoice date, and accrued and compounded monthly.
6. The Architect may give notice to suspend services on all projects for any Client whose account is in default; and materials and information relating to such work will not be released until all amounts owing, including service charges, collection costs/fees, etc. are paid in full. The Architect will not be responsible for any penalty, damages or hardship that may result from such suspension of work.
7. Accounts remaining unpaid for a period of sixty (60) days after the invoice will be subject to a mechanics lien and collection action by a legal action deem appropriate. The expense of collection including attorneys' fees, Architect personnel costs and/or collection service fees used in the pursuit of collection will be added to accounts in default.
8. Work performed on an hourly basis is at the current hourly charge rate established for each employee providing services. Reimbursable expenses, such as, reproduction, travel, etc., shall be billed at the rates established on the rate chart included with the Agreement.
9. The Client agrees to provide such legal, accounting and insurance counseling as may be required for the project. Reuse of any documents pertaining to this project by the Client on extensions of this project or on any other project shall be at the Client's risk and all claims, damages and expenses, including attorney's fees, arising out of such reuse of the documents by the Client or by others acting through the Client.
10. Nothing in this Agreement shall be construed to subject or extend to the Architect the responsibility or authority to direct or supervise construction means, methods, techniques, sequence or procedures of construction selected by contractors or subcontractors or the safety precautions and programs incidental to the work of the contractors or subcontractors.

### LIMITATION OF PROFESSIONAL LIABILITY:

11. The Client agrees to limit Architect's liability to the Client and to all construction contractors and subcontractors on the project arising from Architect's negligent acts, errors and omissions, such that the total aggregate liability of Architect to all those named shall not exceed Architect's required limits of liability insurance. The Client further agrees to require of the contractor similar limitation of the liability of Architect and of the Client, to the contractor and his subcontractor, any liability to the Client and architect shall be allocated between Client and Architect such that the aggregate liability of Architect shall not exceed that noted heretofore.

INSURANCE:

12. The Architect shall obtain and maintain at its expense the following minimum limits of occurrence based insurance coverage for the duration of this Agreement:

- |    |  |   |
|----|--|---|
| A. | Workmen's Compensation<br>Employer's Liability   | Statutory<br>\$1,000,000  |
| B. | Comprehensive General Liability<br>(including Contractual Liability and<br>Completed Operations)<br>Bodily Injury and Property Damage<br>Combined Single Limit | \$1,000,000 each occurrence<br>\$1,000,000 aggregate                                |
| C. | Comprehensive Automobile Liability<br>(Owned, Hired and Non-owned Vehicles)<br>Bodily Injury and Property Damage<br>Combined Single Limit                      | \$1,000,000 each person<br>\$1,000,000 each accident<br>\$1,000,000 each occurrence |
| D. | Professional Liability<br>(on claims made basis)   | \$1,000,000   |

13. Such insurance policies shall contain cross liability provisions and shall name the City of Rapid City as an additional insured to policies B and C above with respect to all activities arising out of the performance of the work and/or services under this Agreement. Such insurance shall be primary to any valid and collectible insurance maintained by client. Acceptable Certificates of Insurance and Endorsements confirming the above coverage shall be filed with Client before commencing any work and/or services. Such Certificates shall afford Client thirty (30) days written notice of cancellation or of a material change in coverage. Client's failure to obtain from Architect a Certificate of Insurance conforming to the foregoing requirements shall not be deemed a waiver of any of the foregoing requirements.

14. Except with respect to the Professional Liability policy, Architect waives all rights of subrogation against Client, its agents and employees, to the extent covered by insurance specified in this article.

15. If the Client required coverage or limits in addition to the above stated amounts, premiums for additional insurance shall be paid by the Client.

TIME AND PERIOD OF PERFORMANCE – ASSIGNMENT OF CONTRACT:

16. The Architect shall perform the described work as expeditiously as is consistent with professional skill and care and the orderly progress of the work. The anticipated schedule will be based upon a reasonable estimate of the time required to perform the work and does not include allowances for periods of time required for the Client's review and approval of submissions and for approvals of authorities having jurisdiction over the project. The schedule shall be adjusted as required as the work proceeds in the event there are delays in any required approvals, for any other delays beyond the control of the Architect in the event the scope of the work is changed in any respect or if more time is required to perform the work than was originally estimated or anticipated by the Architect.

17. The Client shall not assign this Agreement without the authorized written consent of the Architect. This Agreement shall extend to and be binding upon the respective heirs, personal representatives, successors and assigns of the parties hereto.

OTHER PROVISIONS:

18. This Agreement together with attached Exhibits and schedules identified above constitutes the entire agreement between Client and Architect and supersedes all prior written or oral understandings.

19. The provisions of this Agreement shall be deemed severable, and the invalidity or unenforceability of any provision shall not affect the validity and enforceability of the other provisions hereof. If any portion of the Agreement is unenforceable for any reason whatsoever, such provision shall be appropriately limited and given to the extent that it may be enforceable.

20. The parties agree that the terms of this Agreement shall be governed by the laws of the State of South Dakota. In the event of any conflict of laws, the law of the State of South Dakota shall be controlling. Any legal action arising out of or relating to this Agreement shall be brought only in the Circuit Court of the State of South Dakota, Seventh Judicial Circuit, located in Rapid City, Pennington County, South Dakota.



## HOURLY RATES

Current hourly rates for ARC International, Inc. staff members are as follows:

<u>Position:</u>	<u>Current Personnel:</u>	<u>Hourly Rate:</u>
• Principal / Project Architect	Donovan Broberg	\$95 / hour
○ Forensic / Expert Witness / Litigation		\$142.50 / hour
• Intern Architect / Designer	James Lushbough	\$58 / hour
• Interior Designer	Kelli Trebil	\$58 / hour
• Design Technician	Ryan Turnquist	\$45 / hour
• Auto CADD	Chris Olney	\$40 / hour
• Intern Draftsman	vacant	\$25 / hour
• Administrative	April Becker	\$35 / hour

Hourly rates are subject to normal annual reviews and increases

## REIMBURSABLE EXPENSES

Current reimbursable expenses for ARC International, Inc. are as follows:

- Travel Related Costs:
  - Airfare at cost
  - Vehicle \$.485 / mile
  - Lodging at cost
  - Per Diem (if 8 hour + day out of office) \$25 / day
- Bidding and Construction Phase Items:
  - 8.5" x 11" B&W = \$.10 / page; Color = \$.25 / page
  - 11" x 17" B&W = \$.20 / page; Color = \$.50 / page
  - 24" x 36" reprographics \$1.50 / sheet
  - Out of house reproducible(s) at cost
  - Postage / Shipping at cost
- Normal printing, postage and communications costs related to the development of the project is considered a cost of doing business and is factored into our normal hourly rates.

Reimbursable expenses are subject to normal inflation or standard rate increases / adjustments.

## ADDITIONAL PROJECT RELATED COSTS

Other project costs, if required by government/jurisdiction of the project location are as follows:

- Consulting Engineering rates as proposed and/or required for the project.
- Building Inspection - Authority Having Jurisdiction (AHJ) required code reviews.
- Permits or fees as required for federal, state, local or tribal government reviews.
- Tribal Employment Rights Ordinance (TERO) fees.
- Federal, state or local sales or excise tax.

Current revision March 26, 2006

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