



November 17, 2016 (revised)

Jon Novak
Business Manager
River Valley School District
660 W Daly Street
River Valley, WI 53588

RE: River Valley Middle School HVAC Study - AKF Engineering Services Proposal
AKF Project No. P_M160072

Dear Jon:

Thank you for the opportunity to provide engineering services for your project. Please find attached AKF's proposal for proceeding with the River Valley Middle School HVAC Indoor Air Quality (IAQ) Study project.

PROJECT DESCRIPTION

This project is to investigate and provide recommendations to address the HVAC system deficiencies causing IAQ issues at the River Valley Middle School located in River Valley, WI.

SCOPE OF SERVICES

The listed scope of services is being presented in an ala-carte fashion to allow River Valley Schools to determine the scope that best matches their needs and priorities. Certain scopes are dependent upon others being provided, such as existing condition documentation, where travel time is incorporated into the fee of another scope. If a scope that has another dependent base scope is selected singularly, this will be identified prior to execution of an agreement for services.

- Conduct kick-off meeting via conference call with River Valley Middle School project stakeholders to review anticipated schedule, goals and deliverables
- Existing Condition HVAC Equipment and Ductwork Documentation
 - AKF will produce CAD files (AutoCAD and PDF format) of Mechanical existing condition configurations from the associated Conditions Assessment scope of work.
 - Documentation will consist of single line ductwork drawings prepared in CAD based on the existing single line hard copy representation of the current system configuration and onsite system verification. Not all ductwork sizing or routing will be represented where the ductwork is above ceilings or in concealed construction.

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- HVAC Systems Conditions Assessment
 - AKF will conduct a detailed site survey to document the existing HVAC equipment and systems.
 - This includes observations, assessment of condition and anticipated remaining service life of accessible equipment and systems. Concealed systems will be assessed based on anticipated service life from industry standard guidelines.
 - Conduct interviews with facility personnel, review maintenance logs and review DDC trend logs, as applicable, to understand operations and maintenance of existing equipment.
- HVAC Equipment Configuration Analysis
 - Review all mechanical drawings and installations
 - Determine minimum code outdoor air quantities required for the spaces
 - Evaluate existing equipment's outdoor air control, control capabilities and operating capacities
- Alternate System Configuration Analysis and Recommendation
 - If modifications to existing equipment are deemed insufficient to provide proper indoor air quality or the equipment is determined to not have sufficient outdoor air capacity, AKF will analyze and present a narrative recommending an alternate system configuration.
- HVAC Alternate System Cost Opinion
 - Prepare installation cost opinion of the proposed alternate system equipment configuration
- HVAC Operating Cost Opinion
 - Prepare an operating cost opinion of the reconfigured HVAC system incorporating the recommendations from the HVAC Equipment Configuration Analysis and proposed alternate system equipment based on representative computer energy modeling utilizing eQuest software GUI for the DOE 2.2 energy simulation engine.
- Report Preparation
 - Summarize exiting conditions, findings and analysis
 - Development of supporting data and recommendations
 - Submit draft report with site observation, findings and recommendations for review
 - Meeting via conference call to discuss draft report

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- Submission of final report with review comments incorporated

SCHEDULE

AKF is prepared to begin working on this project upon receipt of notice to proceed.

PROJECT DELIVERABLES

- Meeting Minutes
- CAD files of Existing HVAC Equipment and Ductwork Documentation
- An electronic PDF of draft report with finding and recommendations
- An electronic PDF of final report with findings and recommendations

PROPOSED FEES

Engineering Services

AKF proposes to provide the scope of work described herein for a fixed fee of \$39,420, presented ala-carte. Breakout of the fee for each presented scope is in the table below.

Scope of Work	Fee
Kick-off Meeting Conference Call	\$ 330
Existing HVAC Equipment and Ductwork Documentation	\$ 7,300
HVAC Systems Conditions Assessment	\$ 9,290
HVAC Equipment Configuration Analysis	\$ 5,900
Alternate System Configuration Analysis and Recommendation	\$ 3,320
HVAC Alternate System Cost Opinion	\$ 3,100
HVAC Operating Cost Opinion	\$ 4,400
Report Preparation	\$ 5,780
Total Fee:	\$39,420

Reimbursable expenses are estimated at 10% of the total fee and are not included in the fixed fee. Reimbursable expenses will be billed (cost plus 10%) based on actual expenses incurred.

Reimbursable Expenses:



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1. Reimbursable expenses such as travel, mileage, tolls, lodging, meals, messenger service, overnight delivery service (UPS, Federal Express, etc.), plotting, reproduction, copying, testing equipment, transportation, etc. will be invoiced at cost.
 - A. Mileage reimbursement is based on the Federal Reimbursable Mileage Rate which can fluctuate.
 - B. Plotting and plan reproductions will be invoiced at a flat rate of \$1.25/sq. ft. for bond. Electronic files forwarded to us that require printing/plotting (including .dwg, .tif, .pdf or similar formats) will be billed to the project.

2. Consultants:

If consultants should be required to perform specialized services and we are asked to retain them, we will invoice their services and expenses with a 10% markup (1.10 multiplier).

Fees and Payments:

1. Billing will be monthly in proportion to the work completed during the preceding months billing period.
2. Billings will be sent electronically, unless indicated otherwise.
3. Requested scope in addition to the effort described herein will be billed as additional services.
4. Should the above understanding change, the fee is subject to renegotiation.
5. The quoted fee, scope of services, terms and conditions are considered valid for a period of 90 days from the date of issuance of this proposal.

Compensation for Changes and Additional Services:

If there are changes approved by you to work that has been completed, or if you authorize additional scope under this agreement, we will be compensated with either an agreed upon lump sum fee or on an hourly basis in accordance with the attached Rate Schedule. Approval of compensation is required before the changes can be made or the additional services provided.

Remittance:

1. If by mail:
AKF
P.O. Box 5205
New York, NY 10008-5205
2. If by overnight mail or messenger service:
AKF

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One Liberty Plaza
165 Broadway, 22nd Floor
New York, NY 10006

Electronic fund transfer (EFT) is available and can be arranged upon request.

PROPOSAL CLARIFICATIONS

Our scope of services and fee for this project are based on the following understanding and assumptions. Any deviations from these conditions will require an adjustment to our scope of services and fee:

- We have not included the review of the installation of the mechanical systems and equipment for compliance with current local noise ordinances. If required a separate Acoustical Consultant can be obtained.
- AKF based this proposal on receiving all drawings (Mechanical and Architectural) in PDF format from the Owner prior to conducting site observation visit. Drawings shall include original as-built drawings, any renovation or addition drawings and current set of plans.
- AKF based this proposal on facility representatives with intimate knowledge and understanding of the facilities and HVAC system being involved and available for site observation visits, interviews and field testing.
- AKF will provide CAD drawings based upon the received existing condition drawings from Owner and site survey. CAD drawings will not include unforeseen conditions.

SUPPLEMENTARY SERVICES:

The following services are available at additional cost and are not included in the scope of work being provided by AKF under this proposal.

- LEED credit related services
- Living Building Challenge related services
- Lighting / site lighting design
- Parametric Elimination Analysis Energy Modeling
- Systems or equipment lifecycle cost/payback analysis
- CFD Modeling
- Day Lighting Study
- Vibration Testing and Analysis
- Short Circuit and Arc Flash Study
- Power Quality and Power Factor Correction Analysis

GENERAL TERMS AND CONDITIONS:

AKF's services shall be provided subject to the "General Terms and Conditions" set forth in Attachment B, which terms and conditions are hereby incorporated by reference and made part of this Agreement.



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Please review this proposal and if is acceptable, return one copy with your signature indicating acceptance. Your signed acceptance is required to allow us to proceed with this project.

AKF Group appreciates this opportunity to work with the River Valley School District on this project and into the future. If you have any questions or concerns in regard to this proposal, please do not hesitate to call me at 612-567-5002.

Sincerely,

AKF GROUP, LLC

Hollis Linehan, LEED AP
Director of Midwest Operations

ACCEPTED:

Client: River Valley School District

AKF Group LLC

By: Jon Novak
Business Manager

By: Hollis Linehan
Director of Midwest Operations

Date:

Date:

Email Address for Billings:

Attachments:

- Attachment A 2016 AKF Midwest Rate Schedule
- Attachment B General Terms and Conditions



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ATTACHMENT A
2016-2017 Midwest Rate Schedule

Staff Type	Rate
Sr. Project Manager	\$ 170.00
Project Manager	\$ 155.00
Senior Project Engineer	\$ 160.00
Project Engineer	\$ 150.00
Engineer	\$ 135.00
Junior Engineer	\$ 120.00
Senior Designer	\$ 140.00
Project Designer	\$ 130.00
Designer	\$ 120.00
Senior CADD Technician	\$ 115.00
CADD Technician	\$ 105.00
Project Coordinator	\$ 80.00

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**ATTACHMENT B
General Terms and Conditions**

1. Standard of Care:

AKF shall perform its services by qualified personnel in a manner consistent with the degree of care and skill ordinarily exercised by members of the same profession, in the same locality, practicing under similar circumstances (the “Standard of Care”). AKF’s services are rendered without any other warranty, expressed or implied.

2. Site Safety:

AKF shall not have control or charge of, shall not supervise, and shall not be responsible for construction means, methods, techniques, sequences, or procedures, for safety precautions and programs in connection with the Project, for failure of any contractor or subcontractor to carry out its respective work in accordance with the contract documents, or for the acts or omissions of Client, its affiliates, and their respective principals, employees, agents, contractors and subcontractors or any other persons or entities performing portions of the work for the Project. AKF’s observations of the work, if any, shall not at any time constitute direct control or supervision of activities of Client and/or any third party.

3. Reliance on Information.

Client shall provide AKF with such information as is available to Client and Client’s consultants and contractors, and AKF shall be entitled to rely on the accuracy and completeness thereof. Client recognizes that it is impossible for AKF to assure the accuracy, completeness, and sufficiency of such information, either because it is impossible to verify or because of errors or omissions which may have occurred in assembling the information Client is providing to AKF. Accordingly, Client agrees, to the fullest extent permitted by law, to indemnify and hold harmless AKF and AKF’s subcontractors from any claim, liability or cost (including reasonable attorneys’ fees and costs of defense) for injury or loss arising or allegedly arising from errors, omissions or inaccuracies in documents or other information provided by Client to AKF.

4. Use of Drawings, Specifications and Reports:

All documents, including drawings, specifications and reports, prepared by AKF and its affiliates under this Agreement are instruments of professional service (“Instruments of Service”) over which AKF retains all common law and statutory ownership rights. The Instruments of Services are not intended or represented to be suitable for use by anyone other than Client, on extensions of this Project, or on any other project. Any re-use or modification without written verification and consent of AKF shall be at Client’s sole risk and without liability to AKF, its affiliates, and their principals and employees. Client shall indemnify and hold harmless AKF, its affiliates, and their principals, employees, and consultants from and against all claims arising out of such unauthorized use.

5. LEED Engineering:

If AKF’s scope of services requires designing to LEED Green Building Rating System or similar environmental guidelines (“LEED”), AKF shall comply with the Standard of Care when interpreting LEED. Notwithstanding the foregoing, AKF does not warrant or present that the Project will actually achieve LEED certification or realize any particular energy savings. Client acknowledges and understands that the LEED is subject to interpretation, and achieving levels of compliance involves factors beyond the control of the AKF, including but not limited to, Client’s use, operation, and maintenance of the completed Project. AKF shall not be responsible for any environmental or energy issues arising out of Client’s use and operation of the completed Project.

6. Hidden Conditions at the Project Site:

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AKF shall not be responsible for any losses incurred as a result of hidden, unforeseen, concealed, or latent field conditions that may be uncovered subsequent to the effective date of this Agreement. If AKF actually discovers such conditions, Client will be notified immediately of same and any and all costs attendant thereto shall be treated as an additional service.

7. Force Majeure:

If, in AKF's reasonable opinion, an event of Force Majeure directly or indirectly affects AKF's ability to fulfill its obligations under this Agreement, AKF shall not be deemed in breach of this Agreement but instead the parties shall negotiate in good faith an equitable adjustment in price and/or scheduling, which may include suspension or termination of the remaining portions of the Project. For the purposes of this Agreement, "Force Majeure" shall mean any act, event or condition that is beyond AKF's reasonable control, including but not limited to an act of God, landslide, earthquake, fire, explosion, flood, sabotage, or similar occurrence, acts of a public enemy, acts of Client, its affiliates, their principals, employees, agents, consultants, contractors and subcontractors, changes of applicable law, extortion, acts of terrorism, war, unavailability of materials, supplies, labor, equipment, and systems, and vandalism.

8. Disputes:

Client and AKF agree to negotiate all disputes between them in good faith for a period of thirty (30) days from the date of notice regarding same prior to invoking the procedures set forth herein or exercising their rights under law. If the parties fail to resolve a dispute through negotiation in the period set forth above, then Client and AKF agree that they shall first submit any and all unsettled claims, counterclaims, disputes, and other matters in question between them arising out of or relating to this Agreement or the breach thereof ("Disputes") to non-binding mediation. Client and AKF agree to participate in the mediation process in good faith. The process shall be conducted on a confidential basis, and shall be completed within 120 days from the date of the first mediation session. If such mediation is unsuccessful in resolving a Dispute, then the Dispute may be resolved by a court of competent jurisdiction located in Hennepin County, Minnesota. Each party hereto specifically waives any and all of its rights to a jury trial as may be provided under applicable law.

9. Governing Law:

This Agreement shall in all respects be subject to and construed in accordance with the law of the State of Minnesota without regard to conflicts of law.

10. Hazardous and Toxic Materials:

Client shall disclose to AKF in writing any and all hazardous or toxic materials or pollutants, including, but not limited to asbestos, asbestos-related materials, petroleum, hazardous waste, and PCBs (collectively, "Hazardous Materials") of which Client is or becomes aware. AKF and its principals, affiliates, employees and consultants shall not be responsible at any time for the discovery, presence, handling, removal, or disposal of Hazardous Materials in any form at the Project site or exposure to persons or property of Hazardous Materials in any form at the Project site. Client shall indemnify and hold harmless AKF, its affiliates, and their principals, employees, agents and consultants from any claims, damages, losses, demands, lawsuits, causes of action, injuries, including reasonable attorneys' fees, incurred by indemnified party(ies) which arise out of or in any way related to the existence of Hazardous Material at the Project site.

11. Limitation of Liability:

In recognition of the relative risks and benefits of the Project to both Client and AKF, the risks have been allocated such that Client agrees, to the fullest extent permitted by law, to limit the liability of AKF to Client for any and all

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claims, losses, costs, damages of any nature whatsoever, or expenses from any cause or causes, including attorneys' fees and costs and expert witness fees and costs, so that the total aggregate liability of AKF to Client shall not exceed AKF's total fee for services rendered on this Project. It is intended that this limitation apply to any and all liability or cause of action however alleged or arising, unless otherwise prohibited by law.

12. Indemnification:

Notwithstanding anything to the contrary contained herein, AKF agrees, to the fullest extent permitted by law, to indemnify and hold harmless Client, its officers, directors, and employees from and against third party claims and expenses (including reasonable attorneys' fees where recoverable by law) (collectively, "Damages") to the extent a finding of fact determines that such Damages were caused by the negligent acts, errors, or omissions of AKF or anyone for whom AKF is legally responsible. In the event that both AKF and Client are determined by a finding of fact to be negligent and the negligence of both is a proximate cause of such claim for damage, then in such event, Client and AKF shall each be responsible for the portion of liability equal to its comparative share of the total negligence.

13. Exclusion of Damages:

Notwithstanding any provision to the contrary contained in this Agreement, to the fullest extent permitted by law, in no event shall either party or their affiliates, principals, officers, and employees, be liable directly or indirectly to the other party for any special, punitive, indirect and/or consequential damages, including damages attributable to loss of use, loss of income, or loss of profit, even if such party has been advised of the possibility of same.

14. Interpretation:

Whenever used, the singular numbers shall include the plural, and the plural the singular, and the use of any gender shall be applicable to all genders. In all instances where a number of days is stated, such days shall be considered "calendar days" unless otherwise expressly set forth to the contrary.

15. Successors & Assigns:

Client and AKF, respectively, bind themselves, their partners, successors, assigns and legal representatives to the other party to this Agreement and to the partners, successors, assigns and legal representatives of such other party with respect to all covenants of this Agreement. Neither Client nor AKF shall assign, encumber, pledge, sublet or transfer any interest in this Agreement without the written consent of the other, which shall not be unreasonably withheld.

16. Relationship between the Parties & Non-Solicitation:

Nothing contained herein or any document executed in connection herewith, shall be construed to have created an employer-employee relationship, partnership, or joint venture between Client and AKF. AKF shall at all times be deemed an independent contractor. Client also agrees that during the term of this Agreement and for one year thereafter, Client shall not directly or indirectly employ or retain an AKF employee who has provided services to Client under this Agreement, without AKF's prior written consent, which consent may be withheld in AKF sole discretion.

17. Enforceability:

In the event that any term of provision or part thereof of this Agreement is adjudged null and void, such term, provision or part thereof shall be deemed severed from this Agreement and the remaining term(s) and provision(s) shall remain unaffected thereby and in full force and effect.



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18. Extent of Agreement:

This Agreement, including all documents incorporated herein by reference, if any, represents the entire understanding between the parties concerning the Project to which it refers and supersedes all prior negotiations concerning same. All understandings heretofore had between us are merged in this Agreement, which alone fully and completely expresses their agreement. This Agreement may be amended only in writing, if agreed to by both parties.