



Nick Heinlein
Assistant Superintendent of Business Services
Saugus Union School District
24930 Avenue Stanford
Valencia, CA 91355

Reference: Bridgeport Elementary School

Dear Mr. Heinlein:

This letter is the terms of our engagement to provide consulting services to investigate the heating, ventilation and air conditioning system in connection with the above-referenced project. If accepted, this shall serve as an agreement between Saugus Union School District and Ivey Engineering, Inc. (IEI).

We propose the following initial scope of work¹:

Initial Document, Reports & Plan Review	\$	1,500.00
Initial Site Inspection & Observations (1 day)	\$	3,000.00
Engineering Analysis, Letter Report of Findings and Recommendations & Consultation	\$	2,500.00
Additional Testing, if needed (TBD)	\$	<u>Not included</u>
Total Budget	\$	<u>7,000.00</u>

¹ This budget is for a preliminary investigation. More work may be necessary to develop definitive opinions and recommendations.

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Please understand that this is only an estimate. Actual fees, which will be billed on an hourly fee and reimbursable expense basis in accordance with our Fee and Payment Policy, may vary materially from this estimate. IEI's Fee and Payment Policy dated May 1, 2017 is attached to and forms a part of this agreement. The rates and fees charged by IEI will include charges for subcontractors, sub-consultants, technical and research assistants, and administrative staff. You agree to pay these fees.

Upon signing this agreement, you agree to deposit with IEI the initial sum of \$3,000 to be applied to the last bill upon completion and/or termination of IEI's services to pay fees and costs. This deposit does not represent an estimate of the anticipated fees and costs. IEI reserves the right at any time to require that the deposit be increased or that a new deposit in an amount determined by IEI be made to apply against future fees and costs. Any unused portion of your initial or additional deposit will be returned upon completion of IEI's services.

IEI cannot determine at the beginning of an engagement the full nature and extent of the services it will be required to perform since they depend upon the actions of other parties, or upon facts or issues not yet known. Accordingly, any oral or written estimate of the fees and costs for a particular matter or service will not bind IEI. This estimate will not be routinely updated as the engagement progresses. It will be assumed that the client maintains an understanding of the costs based upon the progress and IEI's billings. You agree to pay IEI's fees and costs actually billed to you regardless of any estimate. The terms and conditions set forth in this agreement will apply to all future services that you, or your representative, instruct IEI to perform in connection with this engagement, unless this agreement is amended in writing and signed by both parties.

Unless a different billing cycle is approved by IEI in writing, IEI generally will issue its statements pursuant to the fee and payment policy on a monthly basis. The amounts due as stated on IEI's statements shall be deemed to be correct, conclusive and binding on you unless you notify IEI in writing, within thirty (30) days from the date the particular billing is mailed, that you dispute such charges. Payments are due and payable upon receipt of invoice. All fees and costs unpaid for more than forty-five (45) days bear interest at the rate of one percent (1%) per month, compounded monthly on all past due amounts. If you fail to pay IEI's invoices within forty-five (45) days of the invoice date, IEI reserves the right to require an additional deposit in an amount determined by IEI or to terminate its services.

Payment to IEI is not dependent upon IEI findings, observations, or opinions. Payment is not dependent upon any contract agreement between you, your client or any other person or party. The remuneration of IEI's fees and expenses is not contingent upon payment to you by any other party.

This agreement may be terminated by either party with or without cause with a ten-day (10-day) written notice to the other party or by mutual agreement. IEI is entitled to payment for all services rendered up to the date of delivery of the written termination notice.

Neither you nor IEI may assign this agreement without the express consent of the other. Should either party attempt to assign this agreement to any other person or entity, without express

written consent, the assigning party shall remain legally obligated and responsible under the agreement.

IEI agrees that all information obtained from you is and shall remain confidential and that IEI shall not release any information to a third party without your express permission or specific court order or subpoena. IEI shall not respond to any subpoena, court order, or request without first giving you reasonable notice of the request, subpoena, or court order.

You agree, to the fullest extent permitted by law, IEI's total liability inclusive of third party claims for any and all injuries, claims, losses, damages or expenses, including attorney's fees, arising out of this agreement from any cause or causes, shall not exceed IEI's fee amount, i.e. the sum of all of IEI's billings for work performed pursuant to the agreement. You agree with regard to third party claims to indemnify and hold harmless IEI, its employees and agents from and against any and all claims, damages, losses, expenses and attorney's fees, arising out of or resulting from in any manner IEI's performance pursuant to this agreement which would cause IEI's total liability to exceed the limit specified herein.

IEI will provide proof of insurance in amounts requested by you before providing the services.

Any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this agreement to arbitrate, shall be determined by arbitration in San Diego, California before one arbitrator, unless both parties agree otherwise. The arbitration shall be administered by JAMS Endispute pursuant to its Construction Arbitration Rules and Procedures and in accordance with the Expedited Procedures in those Rules. Judgment on the Award may be entered in any court having jurisdiction. This clause shall not preclude parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction. This provision shall not preclude the option of utilizing small claims court. You agree that all arbitration, small claims court and trial proceedings shall be held in San Diego, California. This agreement shall be governed by the laws of the State of California.

If any action or proceeding is initiated by any person or entity to enforce or interpret the provisions of this agreement, the prevailing party in such action or proceeding shall be entitled to recover from the other party or parties its' costs and expenses incurred in connection therewith, including without limitation reasonable attorney's fees, expert fees and the costs and expenses of litigation or arbitration.

This letter represents the entire agreement between us for the above referenced matter and supersedes all prior negotiations, representations or agreements, either written or oral. This agreement can only be changed by subsequent written agreement.

To confirm the terms of the Agreement between you and IEI, please sign, initial and date this letter where indicated and return a copy.

We look forward to working with you.

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Sincerely,

Ivey Engineering, Inc.

Rush Porter

Rush Porter
Director of Business Development

RP/ns

I hereby accept and consent to the foregoing and agree to be bound by these terms of agreement.

Client (Responsible Entity): Saugus Union School District

Authorized Signature: _____

Printed Name: _____

Date: _____



Ivey Engineering, Inc.
 8330 Juniper Creek Lane, San Diego, CA 92126
 Phone: (858) 587-2874, Fax: (858) 587-6749

FEE AND PAYMENT POLICY
 Effective May 1, 2017

FEES

Consulting work is performed on an hourly fee basis. The standard hourly billing rates are as follows:

Principal Consultant	\$250.00 to \$270.00
Senior Consultant	\$200.00 to \$250.00
Consultant	\$140.00 to \$190.00
Associate	\$90.00 to \$130.00
Support Staff	\$50.00 to \$80.00

Travel time, when applicable, will be billed at the above standard hourly billing rate. For deposition, hearing and trial appearances, the hourly fee is \$480. A \$1000.00 minimum fee will apply to all engagements.

Expenses for items such as economy airfare, lodging, auto rental, fuel, shipping, photographs, printing, reprographics and outside photocopying will be billed at our cost. A 10% handling fee will be charged for subconsultant and outside contractor charges. Reasonable per diem expenses for out-of-town travel to cover meals may be charged. Automobile mileage will be charged at \$0.60 per mile. Review of deposition transcripts will be charged at the standard hourly billing rate not to exceed \$6.00 per page.

We will provide an estimate of our fees and expenses, and any expenses and fees must include documentation. Lodging will only be reimbursed when authorized in writing in advance.

PAYMENTS

Payments are due and payable upon receipt of invoice. When requested, the client shall pay a retainer, which is due before our work begins. The retainer will be deducted from the final billing and the unused portion, if any, refunded. An additional retainer may be required prior to providing deposition, hearing or trial testimony. All past due payments shall be paid prior to scheduling deposition, hearing or trial appearances.

Finance charges will accrue on amounts unpaid for more than 30 days from the date of invoice mailing at the rate of 1% per month. Disputes shall be determined by arbitration administered by JAMS Endispute in San Diego, California and be governed by the laws of the State of California.

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Initials: _____

TIN: 33-0860901