

March 06, 2015

Los Gatos Unified School District
C/O Mr. Marjan Khanzadeh
Kramer Project Development Company, Inc.
4020 Moorpark Avenue, #220
San Jose, CA 95117

Subject: Special Inspection and Construction Materials Testing Services
Fisher Middle School Sports Complex Project
Los Gatos, CA

Dear Mr. Khanzadeh,

We have prepared our estimated cost proposal for special inspections and construction material testing services for the above referenced project. We are confident you will find HP Inspections, Inc. well qualified to perform the specified work, and we look forward to being part of your project team again. Thank you for your consideration of HP Inspections, Inc.

SCOPE OF WORK

We have reviewed the project plans made available to us at this time and understand our scope of work will be limited to the following.

1. Review of proposed concrete mix designs.
2. Periodic inspections of reinforcing steel for structural concrete and shotcrete, this includes verification of materials using the certified mill test reports and performing bend & tensile tests.
3. Periodic inspections during the placement of concrete, continuous inspections during the placement of shotcrete which includes performing slump and temperature tests, making, transporting and laboratory testing of compressive strength samples.
4. Torque testing of expansion and/or wedge anchors and proof load testing of dowels.
5. Continuous/periodic inspections during shop & field welding inspections which includes material identification, verification of welder qualifications and welding procedures prior to the start of welding operations and ultrasonic testing of specified welds and testing of High Strength bolts.
6. Preparation of daily handwritten inspection reports, interim reports and one final project inspection report.

PROPOSED FEES

We will perform all of our work for this project on a "time and materials basis" in accordance with the following rates.

1. Continuous and/or periodic inspections by a Project Inspector will be \$85.00/hour. (Regular Fee Schedule Rate is \$125.00/hour).
2. Supervision, project coordination and report preparation by a Senior Inspector/Manager will be \$110.00/hour. (Regular Fee Schedule Rate is \$150.00/hour).
3. Overtime will be invoiced at one and a half times our proposed rate.
4. Double time will be invoiced at two times our proposed rate.
5. Night shifts between 4PM and 6AM will be invoiced at \$15.00 in addition to our regular or overtime rates as appropriate.
6. Concrete mix design reviews will be charged at \$200.00 each.
7. Concrete and mortar test cylinders will be charged at \$55.00 each, grout will be charged at \$60.00 each and shotcrete cores will be \$95.00 each.
8. Torque and proof-load equipment fees will be invoiced at \$25.00 per hour in addition to our proposed rate.
9. Mileage will be charged at \$0.75 per mile.
10. Final project reports will be \$400.00 each, interim reports will be \$85.00 each.

ESTIMATED COSTS

HP Inspections submits the following fee scenario for the purpose of this estimated cost proposal and the client's budgeting requirements.

REINFORCING STEEL INSPECTIONS & TESTING

± 24 hours, sampling & tagging @ \$85.00/hour	= \$ 2,040.00
± 10 sets, bend & tensile of rebar @ \$150.00/set	= \$ 1,500.00

Reinforcing Steel Inspections & Testing Subtotal	= \$ 3,540.00
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TORQUE TESTING OF EXPANSION AND WEDGE ANCHORS

± 40 hours, torque testing of anchors @ \$110.00/hour	= \$ 4,400.00
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Anchor Testing Subtotal	= \$ 4,400.00
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CONCRETE & SHOTCRETE INSPECTIONS AND TESTING

± 4 mix design reviews @ \$200.00 each	= \$ 800.00
± 140 hours, placement inspections @ \$85.00/hour	= \$11,900.00
± 4 hours, coring of test panels @ \$250.00/hour	+ \$ 1,000.00
± 25 sets (of 4 each) concrete cylinders @ \$220.00/set	= \$ 5,500.00
± 2 sets (3 per set) non-shrink grout samples @ \$180.00/set	= \$ 360.00
± 4 sets (4 per set) shotcrete cores @ \$380.00/set	+ \$ 1,520.00
± 26 hours, pick up samples @ \$85.00/hour	= \$ 2,210.00

Concrete Sampling and Testing Subtotal = **\$23,290.00**

STRUCTURAL STEEL & WELDING

± 8 hours, WPS review @ \$110.00/hour	= \$ 880.00
± 120 hours, shop welding inspections @ \$85.00/hour	= \$10,200.00
± 166 hours, field welding inspections @ \$85.00/hour	= \$14,110.00
± 44 hours, ultrasonic testing of welds @ \$125.00/hour	= \$ 5,500.00
± 8 hours, torque testing of HS bolts @ \$110.00/hour	= \$ 880.00
± 4 sets lab testing of HS bolts @ \$950.00/set	= \$ 3,800.00

Structural Steel Subtotal = **\$35,370.00**

REPORT PREPARATION, MILEAGE AND PROJECT COORDINATION

Reports, Mileage and Project Coordination Subtotal = **\$ 4,100.00**

TOTAL ESTIMATED COSTS = **\$70,700.00**

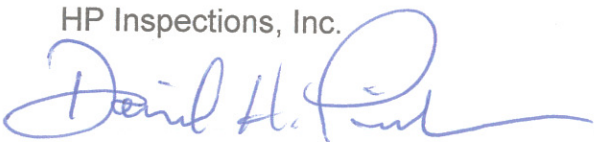
NOTE: It is assumed that the District will hire the In – Plant Inspector directly for the fabrication of the modular buildings.

NOTE: Overtime, double-time, and night differentials were not incorporated into the estimated cost given in this proposal.

One important difference between HP Inspections, Inc. and other Bay Area inspection firms is that HP Inspections does not charge 4 or 8 hour minimums. For example, if an inspection took 5 hours to complete, HP Inspections would charge 5 x \$85.00 or \$425.00. A firm charging hourly minimums would charge 8 x \$85.00 or \$680.00 for the identical inspection. The firm charging hourly minimums would have to quote an hourly rate of \$53.13 for bidding purposes in the above example to invoice the same dollar amount as HP Inspections.

Sincerely,

HP Inspections, Inc.



David H. Pinkham
President

HP INSPECTIONS, INC.
AGREEMENT FOR PROFESSIONAL SERVICES

Date of Agreement: March 06, 2015 Project No.: LGSD

Client: Los Gatos Union School District, 17010 Roberts Rd., Los Gatos, CA 95032

Project Name and Address: Fisher Middle School Sports Complex, Los Gatos, CA

Scope of Work: Special Inspection and Construction Materials Testing Services

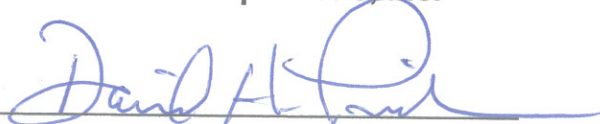
This agreement is entered into by and between HP Inspections, Inc. (hereafter HPI) and Los Gatos Union School District (hereafter "The Client"), as follows:

1. HPI agrees to perform professional services, the scope of which is briefly described above and more particularly described in our estimated cost proposal dated March 06, 2015 titled, "Special Inspection and Construction Materials Testing Services, Fisher Middle School Sports Complex, Los Gatos, CA,". Attached hereto and made a part hereto by reference, at the Project location described above or elsewhere as appropriate. Any other change in this scope of work shall be by written modification of this agreement.
2. Unless otherwise specifically agreed in writing, HPI services shall be performed on a time and materials basis, in accordance with the above referenced fee proposal attached hereto and made a part hereto by reference. Any estimate of the total cost for the scope of work described herein is provided in good faith, but is intended as an estimate only, in recognition of the many variables that may affect the execution of professional services, including, without limitations, conditions in the field, coordination with other trades, field change orders, and the like.
3. "The Client" will be invoiced every four (4) weeks for professional services and direct costs, unless otherwise specifically agreed to in writing. Fees and charges are due and payable upon receipt, and become delinquent after thirty (30) days. Late charges shall accrue on delinquent invoices at the rate of one and one-half percent (1.5%) per month. **HPI reserves the right to withhold the issuance of any test results and/or written reports until full payment of account balances has been made.**
4. If "The Client" disputes HPI fees or charges for any patent error or omission, written notice of such disputes must be provided to HP Inspections within thirty (30) days after the date of the related invoice. In any legal action or proceeding arising out of this Agreement or to enforce the terms of this Agreement, the prevailing party shall be entitled to recover all reasonable attorneys' fees, costs, and expenses incurred therein.

HP Inspections, Inc.

Los Gatos Unified School District

By: _____



David H. Pinkham

By: _____

Print Name: