

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

| | |
|----------------------|--|
| AGENDA TITLE: | Authorizing the City Manager to Execute a Professional Services Agreement with KBA, Inc. in the Amount of \$439,700 for Construction Management and Inspection of the Westminster Way N and N 155 th Street Intersection Improvements Project |
| DEPARTMENT: | Public Works |
| PRESENTED BY: | Tricia Juhnke, City Engineer |
| ACTION: | <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing |

PROBLEM/ISSUE STATEMENT:

Staff is requesting that Council authorize the City Manager to execute a contract with KBA, Inc. for construction management services on the Westminster Way N and N 155th Street Intersection Improvements Project in the amount of \$439,700. The project includes roadway work at the intersection of Westminster Way N and N 155th Street for intersection realignment, regrading and reconstruction of the roadway, pedestrian facilities, storm drainage system, illumination system, and a new signal system. In addition to the intersection improvements, the project also includes the installation of a joint utility trench, relocation of a deep storm line in Westminster Way, and sewer line and water main extensions.

Due to increased development activity and the start of the construction phase for the Sound Transit Lynnwood Link Extension project, City construction inspectors are not available to provide inspection services for a project of this size. Therefore, contract inspection services are needed to complete this project and KBA, Inc. has been selected as the most qualified firm to support the City with this project through the construction phase. Council authorization is needed to enter into this professional services agreement with KBA, Inc.

RESOURCE/FINANCIAL IMPACT:

The project is fully funded in the adopted 2019-2024 Capital Improvement Plan. The professional services for construction management of the Westminster Way N and N 155th Street Intersection Improvements Project will be funded through the Capital Improvement Plan as shown below:

EXPENDITURES

Design Phase

| | |
|-------------------------|-----------|
| Project Administration | \$704,080 |
| Real-estate Acquisition | \$139,723 |

Construction

| | |
|--|--------------------|
| Staff and other Direct Expenses | \$45,000 |
| Construction Management Services (This Contract -KBA) | \$439,700 |
| Materials Testing Services | \$15,000 |
| Construction Contract | \$3,063,202 |
| Change Order Authorization | \$307,000 |
| TOTAL (Construction and Design) | \$4,713,705 |

REVENUE

| | |
|-------------------------|--------------------|
| Private Donations (MGP) | \$1,900,000 |
| TIB Fuel Tax Grant | \$3,616,471 |
| TOTAL | \$5,516,471 |

Private donations by Merlone Geier Partners (MGP) are to meet the requirements of the Developers Agreement and the Relocation Agreement they entered into with the City. These contributions will be revised based on actual costs and the conditions of the agreements. Any surplus revenue can be redistributed through the CIP and budget process.

RECOMMENDATION

Staff recommends that the City Council authorize the City Manager to execute a professional services agreement with KBA, Inc. for construction management and inspection services in the amount of \$439,700 for the Westminster Way N and N 155th Street Intersection Improvements Project.

Approved By: City Manager **DT** City Attorney **MK**

BACKGROUND

This project provides full reconstruction of the intersection of Westminster Way N and N 155th Street. Improvements include realignment of the intersection, revised lane configurations, a new traffic signal, regrading and reconstruction of the roadways, new pedestrian facilities, a new illumination system, landscaping, and storm drain system. In addition to the intersection improvements, the project will construct several utility improvements to support the redevelopment of Shoreline Place.

On September 9, 2019, the City Council authorized a Development Agreement between the City and Merlone Geier Partners (MGP) that identifies financial contributions from MGP for specific transportation improvements included in the City CIP. The staff report for authorization of this agreement can be found at the following link: <http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2019/staffreport090919-8b.pdf>.

Subsequently, on November 4, 2019, Council authorized an Agreement for the Relocation of Stormwater and Sewer Lines and Waterline Extensions with MGP for the installation and payment of these utilities as part of the City's CIP project. The staff report for authorization of this agreement can be found at the following link: <http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2018/staffreport091018-7e.pdf>.

The complex nature of the project, including coordination with multiple businesses, property owners, utilities and contractors, requires a more expansive construction management approach than what can be provided with City staff and their current workload. Thus, staff selected KBA, Inc. to provide construction management and inspection of this project throughout its construction phase.

ALTERNATIVES ANALYZED

On March 4, 2019, the City issued a Request for Qualifications (RFQ) for establishment of a Construction Services Roster. Five firms submitted Statements of Qualifications (SOQ's), which were reviewed by staff. Four firms were selected for final consideration and KBA, Inc. was subsequently selected as the most qualified for this project.

The alternative to not authorizing this contract is utilizing current staffing resources either by re-prioritizing other work or delaying the project until staffing resources become available, which is not recommended. Current staff are fully utilized on other construction projects including private development, the Sound Transit Lynnwood Link Extension Project, and other capital projects. Construction of this Project is anticipated to start in February 2020 with final completion anticipated by September 2020.

Staff is therefore requesting that Council authorize the City Manager to execute a professional services agreement with KBA, Inc. for construction management on the Project in the amount of \$439,700. The scope of work of this proposed contract is attached to the staff report as Attachment A. Council authorization is needed to enter into an agreement with KBA, Inc.

COUNCIL GOAL(S) ADDRESSED

This project supports two Council Goals:

- Goal 1: Strengthen Shoreline’s economic climate and opportunities; specifically, this goal identifies implementing the Community Renewal Plan for Shoreline Place, including execution of development agreements in the Community Renewal Area and construction of intersection improvements at N 155th Street and Westminster Way N.
- Goal 2: Improve Shoreline’s infrastructure to continue the delivery of highly-valued public service.

RESOURCE/FINANCIAL IMPACT

The project is fully funded in the adopted 2019-2024 Capital Improvement Plan. The professional services for construction management of the Westminster Way N and N 155th Street Intersection Improvements Project will be funded through the Capital Improvement Plan as shown:

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ATTACHMENTS

Attachment A – KBA, Inc. Scope of Work

EXHIBIT A
SCOPE OF SERVICES
Construction Management Services
for
Westminster Way N and N 155th St
Intersection Improvements

KBA, Inc. (Consultant) will provide Construction Management (CM) services to City of Shoreline (Client) for the Project known as ***Westminster Way N and N 155th St. Intersection Improvements***. These services will include consultation, contract administration, field observation, documentation, and material testing, as required during the construction of the Project, as detailed below.

Project Description: This project provides for the improvement of Westminster Way N and N 155th Street. The work includes a new signal system, upgrade of utilities, new curb and sidewalk, pavement and rechannelization. The Designer of Record on this project is Reid Middleton (Designer).

I. CONSTRUCTION MANAGEMENT SERVICES

A. Consultant Contract and Team Management. Provide overall day-to-day management of the consultant contract and team, including:

1. Decide on best modes and frequency of communication with Client and Designer and use them. Liaison and coordinate with Client on a regular basis to discuss Project issues and status.
2. Review monthly expenditures and Consultant Team scope activities. Prepare and submit to Client monthly, an invoice and progress report describing Consultant Team services provided that month. Prepare and submit reporting required by funding source(s), if any.

Deliverables

- Monthly invoices and progress reports

B. Preconstruction Services

1. Review Contract Documents to familiarize team with Project requirements.
2. Assist and co-lead preconstruction conference:
 - a. Attend and participate in the meeting.
3. Provide one set of preconstruction photographs and video of the project site.

Deliverables

- Co-Lead Preconstruction Conference
- Preconstruction photos and video

C. Construction Phase Services – Contract Administration

1. Liaison with the Client, construction contractor, Designer, appropriate agencies, property owners, and utilities.
2. Provide the Client with brief monthly construction progress reports, highlighting progress and advising of issues which are likely to impact cost, schedule, or quality/scope.
3. Schedule Review:
 - a. Review construction contractor's schedules for compliance with Contract Documents.

- b. Monitor the construction contractor's conformance to schedule and require revised schedules when needed. Advise Client of schedule changes.
4. Progress Meetings. Lead regular (usually weekly) progress meetings with the construction contractor, including Client pre-briefing. Provide input for weekly meeting agenda and meeting notes. Track outstanding issues on a weekly basis.
5. Review work plans, shop drawings, samples, and test reports submitted by the construction contractor, for general conformance to the Contract Documents.
6. Prepare weekly statement of working days for Client to distribute to the Contractor.
7. Manage RFI (Request for Information) process. Review/evaluate, or cause to be reviewed/evaluated by other appropriate party, RFIs.
8. Change Management. Evaluate entitlement, and prepare scope, impact, and independent estimate for change orders. Facilitate resolution of change orders. Provide change order information to the Client for processing.
9. Monthly Pay Requests. Assist the Client with the preparation of monthly pay requests.
 - a. Bid item quantities will be measured, verified, and agreed upon on a daily basis with the Contractor.
 - b. Prepare Field Note Records (FNR) in accordance with Client requirements.
 - c. Calculate and tabulate all quantity delivery tickets. Collection must be done on the date of delivery. Tickets shall be marked as to location (stationing per plans) where materials were used in the project and provide corresponding bid item number.
 - d. Check that manufacturer's Certifications and Certification of Materials Origins are received prior to payment.
 - e. Prepare Force Account (FA) sheets on the day the work occurred. Obtain signature from the Contractor prior to submitting the FA sheets to the Client for further processing.
 - f. Assist the Client with any discrepancies to the monthly pay requests.
10. Evaluate construction contractor's Schedule of Values for lump sum items. Review the Contract Price allocations and verify that such allocations are made in accordance with the requirements of the Contract Documents.
11. Assist the Client in the investigation of malfunctions or failures during construction.
12. Public Information. Provide information for Client to prepare media communications and public notices on Project status. Provide information for Client's inclusion into a Project website and/or newsletters, if requested.
13. Record Drawings. Review not less than monthly, the construction contractor's redline set of contract plans. Maintain a CM Team set of conformed drawings tracking plan changes, location of discovered anomalies and other items, as encountered by the CM team. Use these markups to check the progress of the Contractor-prepared Record Drawings.
14. Project closeout, and recommendation for formal acceptance by the Client. Make recommendations to the Client concerning operational acceptance, substantial completion, physical completion, and final acceptance of the work. Include review of the request for substantial completion of the project, perform a final review and inspection of the construction work and prepare a final punch list of items to be corrected. Verify completion of the punch list.

15. Final Records. Assist the client with the closeout of the final Project records.

Deliverables

- Monthly Construction Progress Reports
- Schedule Review Comments
- Weekly Statement of Working Days
- Change Order(s)
- Field Note Records, Force Account Sheets, Delivery Tickets.
- Punchlist

D. Construction Phase Services – Field

1. Observe the technical conduct of the construction, including providing day-to-day contact with the construction contractor, Client, utilities, and other stakeholders, and monitor for adherence to the Contract Documents. The Consultant's personnel will act in accordance with Sections 1-05.1 and 1-05.2 of the WSDOT/APWA Standard Specifications.
2. Observe material, workmanship, and construction areas for compliance with the Contract Documents and applicable codes the Client of any non-conforming work observed during site visits.
3. Prepare Inspector Daily Reports (IDRs), recording the construction contractor's operations as actually observed by the Consultant; includes quantities of work placed that day, contractor's equipment and crews, and other pertinent information. Verify in the daily report that the Contractor is working within the proper traffic control plans. Document work being done on a Force Account basis.
4. Interpret Construction Contract Documents, in coordination with Designer.
5. Evaluate issues which may arise as to the quality and acceptability of material furnished, work performed, and rate of progress of work performed by the construction contractor. Verify that material approval is complete per the Record of Materials (ROM) prior to materials being used on site.
6. Establish communications with adjacent property owners. Respond to questions from property owners and the general public.
7. Coordinate with permit holders on the Project to monitor compliance with approved permits, if applicable.
8. Prepare field records and documents to help facilitate administration of the Project in accordance with funding agency requirements.
9. Attend and actively participate in regular on-site meetings.
10. Take periodic digital photographs during the course of construction
11. Punch List. Upon substantial completion of work, coordinate with the Client and affected agencies, to prepare a 'punch list' of items to be completed or corrected. Coordinate final inspection with those agencies.

12. Testing. Conduct or cause to be conducted, materials and laboratory tests. Coordinate the work of the Field Representative(s) and testing laboratories in the observation and testing of materials used in the construction; document and evaluate results of testing; and inform Client and construction contractor of deficiencies.

Deliverables

- IDRs with Project photos – submitted on a weekly basis
- Field Note Records and Daily Reports of Force Account Worked
- Punch List(s)
- Test reports

E. Assumptions

1. Budget:
 - a. Staffing levels are anticipated in accordance with the attached budget estimate. Consultant services are budgeted for a ten-month period, from January 1, 2020 through October 31, 2020. This is intended to span the originally planned construction duration, plus time allotted for Project setup and closeout. Overtime has not been figured into the budget.
 - b. Consultant will work up to the limitations of the authorized budget. If additional budget is needed to cover such instances as the following, Client and Consultant will negotiate a supplement to this Agreement:
 - i. The contractor's schedule requires inspection coverage of extra crews and shifts.
 - ii. The construction contract runs longer than the time period detailed above.
 - iii. Any added scope tasks.
 - iv. The work is anticipated to be performed during daytime hours. Should night work be necessary, a 15 percent differential for labor will be applied to all night shift hours worked by Consultant's employees.
 - c. The budget allocations shown on the attached budget estimate are itemized to aid in Project tracking purposes only. The budget may be transferred between tasks or people, or between labor and expenses, provided the total contracted amount is not exceeded without prior authorization.
 - d. The budget assumes that Consultant's standard forms, logs, and processes will be used. Any customization to meet specialized Client requirements will be Extra Work.
 - e. Should Consultant's level of effort extend beyond the time period detailed in the attached budget estimate, and into a new year, labor rates will adjust annually on January 1, with 30-day written notice to Agency.
2. Items and Services Client will provide:
 - a. Meeting arrangements and facilities for pre-bid and preconstruction meetings. Prepare and distribute meeting notes from pre-bid meeting(s), if any.
 - b. Workstation in Clients office, including:
 - i. desk, chair, and storage for 2 staff
 - ii. combination printer/copier/scanner machine with these capabilities: 11x17 size, color
 - iii. hi-speed data connection (minimum 2-GB upload speed)
 - iv. miscellaneous office supplies
 - v. utilities and sanitary facilities
 - c. Retain Engineer of Record for shop drawing review, RFIs, design changes, and final record drawings.

- d. Coordination with and enforcement of utility franchise agreements and/or contracts and schedules for services related to this Project.
 - e. Verify that the required permits, bonds, and insurance have been obtained and submitted by the construction contractor. Obtain all permits not required to be provided by construction contractor.
 - f. Construction Survey. Provide project control survey and staking that is not already assigned to the construction contractor.
 - g. Material Testing. Provide testing firm for all required material testing.
3. Scope:
- a. Consultant will provide observation services for the days/hours that its' Inspector(s) personnel is/are on-site. The Inspector(s) will not be able to observe or report construction activities, or collect documentation, during the time they are not on-site.
 - b. The Consultant's monitoring of the construction contractor's activities is to ascertain whether or not they are performing the work in accordance with the Contract Documents; in case of noncompliance, Consultant will reject non-conforming work and pursue the other remedies in the interests of the Client, as detailed in the Contract Documents. The Consultant cannot guarantee the construction contractor's performance, and it is understood that Consultant shall assume no responsibility for proper construction means, methods, techniques, Project site safety, safety precautions or programs, or for the failure of any other entity to perform its work in accordance with laws, contracts, regulations, or Client's expectations.
 - c. Definitions and Roles. The use of the term "inspect" in relation to Consultant services is synonymous with "construction observation," and reference to the "Inspector" role is synonymous with "Field Representative," and means: performing on-site observations of the progress and quality of the Work and determining, in general, if the Work is being performed in conformance with the Contract Documents; and notifying the Client if Work does not conform to the Contract Documents or requires special inspection or testing. Where "Specialty Inspector" or "specialty inspection" is used, it refers to inspection by a Building Official or independent agent of the Building Official, or other licensed/certified inspector who provides a certified inspection report in accordance with an established standard.
 - d. Because of the prior use of the Project site, there is a possibility of the presence of toxic or hazardous materials. Consultant shall have no responsibility for the discovery, presence, handling, removal or disposal of toxic or hazardous materials, or for exposure of persons to toxic or hazardous materials in any form at the Project site, including but not limited to asbestos, asbestos products, polychlorinated biphenyl (PCB), or other toxic substances. If the Consultant suspects the presence of hazardous materials, they will notify the Client immediately for resolution.
 - e. Review of Shop Drawings, samples, and other submittals will be for general conformance with the design concept and general compliance with the requirements of the contract for construction. Such review will not relieve the Contractor from its responsibility for performance in accordance with the contract for construction, nor is such review a guarantee that the work covered by the shop drawings, samples and submittals is free of errors, inconsistencies or omissions
 - f. Any opinions of probable construction cost provided by the Consultant will be on the basis of experience and professional judgment. However, since Consultant has no control over competitive bidding or market conditions, the Consultant cannot and does not warrant that bids or ultimate construction costs will not vary from these opinions of probable construction costs.

- g. Development of construction schedules and/or sequencing, and/or reviewing and commenting on contractor's schedules, is for the purpose of estimating number of days to complete a project, and for identifying potential schedule and coordination challenges and determining compliance with the construction contract. It is not a guarantee that a construction contractor will complete the Project in that sequence or timeline, as means and methods are the responsibility of the construction contractor.
- h. Consultant is not responsible for any costs, claims or judgments arising from or in any way connected with errors, omissions, conflicts or ambiguities in the Contract Documents prepared by others. The Consultant does not have responsibility for the professional quality or technical adequacy or accuracy of the design plans or specifications, nor for their timely completion by others.
- i. Consultant's indemnity and defense obligations are limited to the extent of those damages directly caused by the negligent acts, errors, or omissions of the Consultant. Any damages and/or costs that may be recovered shall be limited to the total amount authorized for this Project.
- j. Client agrees to include a statement in the construction Bid Documents for this Project, requiring construction contractor to name KBA, Inc. as an additional insured via CG 2010 & CG 2037 10/01, or their equivalent, endorsements to the contractor's commercial general liability and automobile insurance policies.
- k. RCW 4.24.115 is applicable to Consultant's services provided under this Agreement.
- l. Services provided by the Consultant under this Agreement will be performed in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances, in the same geographical area and time period. Nothing in the Agreement is intended to create, nor shall it be construed to create, a fiduciary duty owed by either party to the other.
- m. Client agrees that Consultant will not be held liable for the completeness, correctness, readability, or compatibility of any electronic media submitted to Client, after an acceptance period of 30 days after delivery of the electronic files, because data stored on electronic media can deteriorate undetected or can be modified without Consultant's knowledge.
- n. Consultant will not be liable for any damage to the field office premises or utilities provided by Client, unless caused by Consultant's own negligence.

II. OPTIONAL SERVICES

All services not detailed above, are considered Optional Services, which, along with any other Extra Work requested by the Client, will be performed only when a mutually negotiated Supplement to this Agreement is executed, specifying scope of services and budget.



Project Name: Westminster Way N
 Client Project No.: TBD
 KBA Project No.: 019026-TBD
 Contract Type: Cost + Net Fee (on DSC only)
 Date Prepared: 11/25/2019
 Prepared by: Mark Fuglevand
 Salary Escalation: 5%

| Determination of Hours | Month | Jan-20 | Feb-20 | Mar-20 | Apr-20 | May-20 | Jun-20 | Jul-20 | Aug-20 | Sep-20 | Oct-20 |
|------------------------|------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | Days/Mo | 22 | 20 | 22 | 22 | 20 | 22 | 22 | 21 | 21 | 22 |
| | Hr/Mo | 176 | 160 | 176 | 176 | 160 | 176 | 176 | 168 | 168 | 176 |
| | Extra Work | 6% | 8% | 10% | 11% | 12% | 12% | 12% | 12% | 12% | 11% |
| | Adj Hr/Mo | 187 | 173 | 194 | 195 | 179 | 197 | 197 | 188 | 188 | 195 |

| Schedule | START UP | CONSTRUCTION | | | | | | | | | | CLOSEOUT | |
|----------|----------|--------------|--|--|--|--|--|--|--|--|--|----------|--|
| | | | | | | | | | | | | | |

KBA Labor Hours

| Employee | Title | 2020 Rate | 2021 Rate | Total Hours | 2020 Total | | Jan-20 | Feb-20 | Mar-20 | Apr-20 | May-20 | Jun-20 | Jul-20 | Aug-20 | Sep-20 | Oct-20 |
|-----------------------------------|----------------------|-----------|-----------|--------------|--------------|--|-----------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Mark Fuglevand | (M3) Project Manager | \$76.00 | \$79.80 | 42 | 42 | | 8 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 2 |
| Paige Barnes | (A4) CA | \$39.48 | \$41.45 | 24 | 24 | | 4 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 4 |
| Resident Engineer | Resident Engineer | \$57.60 | \$60.48 | 1,480 | 1,480 | | 40 | 160 | 176 | 176 | 160 | 176 | 176 | 168 | 168 | 80 |
| Inspector | Inspector | \$45.56 | \$47.84 | 1,400 | 1,400 | | - | 160 | 176 | 176 | 160 | 176 | 176 | 168 | 168 | 40 |
| Subtotal - KBA Labor Hours | | | | 2,946 | 2,946 | | 52 | 326 | 358 | 358 | 326 | 358 | 358 | 342 | 342 | 126 |

Direct Expenses

| Item | Total Costs | 2020 Total | | Jan-20 | Feb-20 | Mar-20 | Apr-20 | May-20 | Jun-20 | Jul-20 | Aug-20 | Sep-20 | Oct-20 |
|--|------------------|---------------|--|----------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|
| Vehicles @ \$950/month (plus tax) | \$ 17,562 | 17,562 | | - | 2,096 | 2,096 | 2,096 | 2,096 | 2,096 | 2,096 | 2,096 | 2,096 | 794 |
| Misc: Supplies, Equipment, Copies, Postage | \$ 127 | 127 | | - | 127 | - | - | - | - | - | - | - | - |
| Subtotal - Direct Expenses | \$ 17,689 | 17,689 | | - | 2,223 | 2,096 | 2,096 | 2,096 | 2,096 | 2,096 | 2,096 | 2,096 | 794 |

Combined Costs

| Employee | Title | 2020 Rate | 2021 Rate | Total DSC | 2020 Total | | Jan-20 | Feb-20 | Mar-20 | Apr-20 | May-20 | Jun-20 | Jul-20 | Aug-20 | Sep-20 | Oct-20 |
|------------------------------------|----------------------|-----------|-----------|-------------------|----------------|--|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Mark Fuglevand | (M3) Project Manager | \$76.00 | \$79.80 | \$ 3,192 | 3,192 | | 608 | 304 | 304 | 304 | 304 | 304 | 304 | 304 | 304 | 152 |
| Paige Barnes | (A4) CA | \$39.48 | \$41.45 | \$ 948 | 948 | | 158 | 79 | 79 | 79 | 79 | 79 | 79 | 79 | 79 | 158 |
| Resident Engineer | Resident Engineer | \$57.60 | \$60.48 | \$ 85,248 | 85,248 | | 2,304 | 9,216 | 10,138 | 10,138 | 9,216 | 10,138 | 10,138 | 9,677 | 9,677 | 4,608 |
| Inspector | Inspector | \$45.56 | \$47.84 | \$ 63,784 | 63,784 | | - | 7,290 | 8,019 | 8,019 | 7,290 | 8,019 | 8,019 | 7,654 | 7,654 | 1,822 |
| Direct Salary Costs | | | | \$ 153,172 | 153,172 | | 3,070 | 16,889 | 18,539 | 18,539 | 16,889 | 18,539 | 18,539 | 17,714 | 17,714 | 6,740 |
| Overhead (Home) @ 167.65% | | | | \$ 6,940 | 6,940 | | 1,284 | 642 | 642 | 642 | 642 | 642 | 642 | 642 | 642 | 520 |
| Overhead (Field) @ 144.90% | | | | \$ 215,947 | 215,947 | | 3,339 | 23,917 | 26,308 | 26,308 | 23,917 | 26,308 | 26,308 | 25,112 | 25,112 | 9,318 |
| Subtotal (DSC + OH) | | | | \$ 376,059 | 376,059 | | 7,692 | 41,447 | 45,489 | 45,489 | 41,447 | 45,489 | 45,489 | 43,468 | 43,468 | 16,578 |
| Fee (on DSC only) @ 30.00% | | | | \$ 45,951 | 45,951 | | 921 | 5,067 | 5,562 | 5,562 | 5,067 | 5,562 | 5,562 | 5,314 | 5,314 | 2,022 |
| Subtotal (DSC + OH + Fee) | | | | \$ 422,010 | 422,010 | | 8,613 | 46,514 | 51,051 | 51,051 | 46,514 | 51,051 | 51,051 | 48,782 | 48,782 | 18,600 |
| Direct Expenses (No Markup) | | | | \$ 17,689 | 17,689 | | - | 2,223 | 2,096 | 2,096 | 2,096 | 2,096 | 2,096 | 2,096 | 2,096 | 794 |
| TOTAL ESTIMATED COSTS | | | | \$ 439,700 | 439,700 | | 8,613 | 48,737 | 53,147 | 53,147 | 48,610 | 53,147 | 53,147 | 50,878 | 50,878 | 19,394 |

Rounded to nearest whole dollar.

CONFIDENTIAL & PROPRIETARY TO KBA, INC.

(Net Revenue/Direct Labor) = Labor Multiplier of: **2.56795**

| | |
|-------------------------------------|---------|
| Contracted Labor Multiplier: | |
| Home | 2.97650 |
| Field | 2.74900 |

| | |
|---------------|--------|
| Home Hours % | 2.24% |
| Field Hours % | 97.76% |