

**SHORT FORM OF AGREEMENT  
BETWEEN OWNER AND ENGINEER  
FOR PROFESSIONAL SERVICES**

Prepared by



Issued and Published Jointly by



### **SPECIAL NOTE ON USE OF THIS FORM**

This abbreviated Agreement form ("Short Form") is intended for use only for professional services of limited scope and complexity. It does not address the full range of issues of potential importance to the parties. Depending on the scope and complexity of the services and the project, the Owner and Engineer may be better served by using the Agreement Between Owner and Engineer for Professional Services (EJCDC® E-500, 2014 Edition), or one of the several special-purpose EJCDC professional services agreement forms.

If the Owner intends to enter into a construction contract for implementation of a design prepared under the Short Form, or otherwise associated with professional services provided under the Short Form, Owner may wish to consider using EJCDC® C-700, Standard General Conditions of the Construction Contract, 2013 Edition, and other 2013 EJCDC Construction Series documents. The terms and provisions used in EJCDC® C-700 and the other EJCDC Construction Series documents are consistent with those used in the Short Form.

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**SHORT FORM OF AGREEMENT  
BETWEEN OWNER AND ENGINEER  
FOR PROFESSIONAL SERVICES**

THIS IS AN AGREEMENT effective as of June 10, 2016 (“Effective Date”) between the Town of Nags Head, a public body corporate of the State of North Carolina, (“Owner” or “Town”) party of the first and Coastal Science & Engineering (“Engineer”), party of the second.

Owner’s Project, of which Engineer’s services under this Agreement are a part, is generally identified as follows: Town of Nags Head Beach Renourishment – Phase One (“Project”).

Engineer’s services under this Agreement are generally identified as follows: See attached Exhibit A, titled “The Proposal – Phase 1- Professional Services for Nags Head Beach Renourishment (17 May 2016) (“Services”).

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Owner and Engineer further agree as follows:

**1.01 Basic Agreement and Period of Service**

- A. Engineer shall provide or furnish the Services set forth in this Agreement. If authorized by Owner, Engineer shall provide and Owner shall pay Engineer for “Additional Services”, as such Additional Services are described in the “ADDITIONAL SERVICES” section of Exhibit A.
- B. Engineer shall complete its Services in such time periods as are set forth in the “PROJECT SCHEDULE” section of Exhibit A .
- C. If, through no fault of Engineer, such periods of time or dates are changed, or the orderly and continuous progress of Engineer’s Services is impaired, or Engineer’s Services are delayed or suspended, then the time for completion of Engineer’s Services, and the rates and amounts of Engineer’s compensation, shall be adjusted equitably but nevertheless, the total compensation shall be limited by any applicable provisions in this Agreement that sets a ceiling on compensation.

**2.01 Payment Procedures**

- A. *Invoices:* Engineer shall prepare invoices in accordance with its standard invoicing practices and submit the invoices to Owner on a monthly basis. Invoices are due and payable within 30 days of receipt. If Owner fails to make any payment due Engineer for Services, Additional Services, and expenses within 30 days after receipt of Engineer’s invoice, then (1) the amounts due Engineer will be increased at the rate of 0.5% per month (or the maximum rate of interest permitted by law, if less) from said thirtieth day, and (2) in addition Engineer may, after giving seven days written notice to Owner, suspend Services under this Agreement until Engineer has been paid in full all amounts due for Services, Additional Services, expenses, and other related charges. Owner waives any and all claims against Engineer for any such suspension.
- B. *Payment:* As compensation for Engineer providing or furnishing Services and Additional Services, Owner shall pay Engineer as set forth in Paragraphs 2.01, 2.02 (Services), and 2.03 (Additional Services). If Owner disputes an invoice, either as to amount or entitlement, then Owner shall promptly advise Engineer in

writing of the specific basis for doing so, may withhold only that portion so disputed, and must pay the undisputed portion.

**2.02 Basis of Payment—Lump Sum**

A. Using the procedures set forth in Paragraph 2.01, Owner shall pay Engineer for Services as follows:

1. A Not-to Exceed amount of \$1,684,211, One-Million, Six-Hundred Eighty-Four Thousand and Two Hundred Eleven dollars and no cents This amount shall be based upon the following distribution;

TASK #	TASK DESCRIPTION	ESTIMATED PROFESSIONAL FEE	ESTIMATED REIMBURSABLES	TOTAL
1	Project Planning, Communication & Liaison	\$91,800	\$16,090	\$107,890
2	Supplementary Beach & Borrow Area Condition Surveys	\$202,280	\$149,184	\$351,464
2.3	Geophysical Study			\$85,154
2.6	Aerial Orthophotography			\$13,052
3	Coastal Engineering and Plan Development	\$158,920	\$9,946	\$168,866
4	Permitting and Environmental Studies	\$243,400	\$28,470	\$271,870
4	CZR Environmental Services			\$150,000
5	Final Design, Specifications, Construction Documents	\$74,600	\$6,500	\$81,150
6	Bidding and Negotiation	\$32,680	\$6,304	\$38,984
7	Construction Observations & Administration	\$224,200	\$90,910	\$315,110
8	Final Report, Condition Survey, Recommendation for Acceptance	\$75,120	\$25,551	\$100,671
	PHASE 1 TOTAL NOT TO EXCEED PROFESSIONAL FEES, REIMBURSABLES, AND ALLOWANCES			\$1,684,211

2. In addition to the Lump Sum amount, reimbursement for the following expenses: [None ]

- B. The portion of the compensation amount billed monthly for Engineer's Services will be based upon Engineer's estimate of the percentage of the total Services actually completed during the billing period.
- C. The Not-To-Exceed compensation amount shall be charged to the Project by each class of Engineer's employees' times standard hourly rates for each applicable billing class for all services performed on the Project according to the Engineer's Standard Hourly Rates attached as Appendix 1.

2.03 *Additional Services:* For Additional Services, in which prior Owner written authorization has been issued, Owner shall pay Engineer an amount equal to the cumulative hours charged in providing the Additional Services by each class of Engineer's employees, times standard hourly rates for each applicable billing class; plus reimbursement of expenses incurred in connection with providing the Additional Services and Engineer's consultants' charges, if any. Engineer's standard hourly rates are attached as Appendix 1.

### 3.01 *Termination*

A. The obligation to continue performance under this Agreement may be terminated:

1. For cause,

a. By either party upon 30 days written notice in the event of substantial failure by the other party to perform in accordance with the Agreement's terms through no fault of the terminating party.

b. By Engineer:

1) upon seven days written notice if Owner demands that Engineer furnish or perform services contrary to Engineer's responsibilities as a licensed professional; or

2) upon seven days written notice if the Engineer's Services are delayed for more than 90 days for reasons beyond Engineer's control, or as the result of the presence at the Site of undisclosed Constituents of Concern, as set forth in Paragraph 5.01.I.

c. Engineer shall have no liability to Owner on account of a termination for cause by Engineer.

d. Notwithstanding the foregoing, this Agreement will not terminate as a result of a substantial failure under Paragraph 3.01.A.1.a if the party receiving such notice begins, within seven days of receipt of such notice, to correct its substantial failure to perform and proceeds diligently to cure such failure within no more than 30 days of receipt of notice; provided, however, that if and to the extent such substantial failure cannot be reasonably cured within such 30 day period, and if such party has diligently attempted to cure the same and thereafter continues diligently to cure the same, then the cure period provided for herein shall extend up to, but in no case more than, 60 days after the date of receipt of the notice.

2. For convenience, by Owner effective upon Engineer's receipt of written notice from Owner.

3. By Owner, upon Engineer's receipt of written notice from Owner, if funding for the Services becomes unavailable.

- B. In the event of any termination under Paragraph 3.01, Engineer will be entitled to invoice Owner and to receive full payment for all Services and Additional Services performed or furnished in accordance with this Agreement, plus reimbursement of expenses incurred through the effective date of termination in connection with providing the Services and Additional Services, and Engineer's consultants' charges, if any.
- C. Any termination under Paragraph 3.01.A.1.a. shall occur automatically upon the passage of the requisite time period unless the cure provisions of 3.01.A.1.d, if applicable, are complied with and the terminating party has received notice of that compliance. In case of termination, the Engineer shall (a) cooperate with the Owner in Owner's efforts to complete the Project, (b) provide information requested by the Owner in connection with completion of the Project, (c) provide a reproducible copy of all drawings, specifications and other documents, even if incomplete, prepared by the Engineer up to the date of termination, and (d) if requested by the Owner, provide a reproducible copy of all drawings, specifications and other documents to describe the constructed work as of date of termination. Services provided after termination shall be compensated as "Additional Services."

#### 4.01 *Successors, Assigns, and Beneficiaries*

- A. Owner and Engineer are hereby bound and the successors, executors, administrators, and legal representatives of Owner and Engineer (and to the extent permitted by Paragraph 4.01.B the assigns of Owner and Engineer) are hereby bound to the other party to this Agreement and to the successors, executors, administrators, and legal representatives (and said assigns) of such other party, in respect of all covenants, agreements, and obligations of this Agreement.
- B. Neither Owner nor Engineer may assign, sublet, or transfer any rights under or interest (including, but without limitation, money that is due or may become due) in this Agreement without the written consent of the other party, except to the extent that any assignment, subletting, or transfer is mandated by law. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.
- C. Unless expressly provided otherwise, nothing in this Agreement shall be construed to create, impose, or give rise to any duty owed by Owner or Engineer to any Constructor, other third-party individual or entity, or to any surety for or employee of any of them. All duties and responsibilities undertaken pursuant to this Agreement will be for the sole and exclusive benefit of Owner and Engineer and not for the benefit of any other party.

#### 5.01 *General Considerations*

- A. The standard of care for all professional engineering and related services performed or furnished by Engineer under this Agreement will be the care and skill ordinarily used by members of the subject profession practicing under similar circumstances at the same time and in the same locality. Subject to the foregoing standard of care, Engineer makes no warranties, express or implied, under this Agreement or otherwise, in connection with any services performed or furnished by Engineer. Subject to the foregoing standard of care, Engineer and its consultants may use or rely upon design elements and information ordinarily or customarily furnished by others, including, but not limited to, specialty contractors, manufacturers, suppliers, and the publishers of technical standards. The Engineer warrants the accuracy of Engineer's representations made to Owner as to Engineer's qualifications and experience during the process in which the Owner selected the Engineer. The Engineer represents that it is registered, licensed and authorized to practice engineering in North Carolina.

- B. Reserved .
- C. Engineer neither guarantees the performance of any Constructor nor assumes responsibility for any Constructor's failure to furnish and perform its work.
- D. Engineer's opinions (if any) of probable construction cost are to be made on the basis of Engineer's experience, qualifications, and general familiarity with the construction industry. However, because Engineer has no control over the cost of labor, materials, equipment, or services furnished by others, or over contractors' methods of determining prices, or over competitive bidding or market conditions, Engineer cannot and does not guarantee that proposals, bids, or actual construction cost will not vary from opinions of probable construction cost prepared by Engineer. If Owner requires greater assurance as to probable construction cost, then Owner agrees to obtain an independent cost estimate.
- E. Engineer shall not be responsible for any decision made regarding the construction contract requirements, or any application, interpretation, clarification, or modification of the construction contract documents other than those made by Engineer or its consultants.
- F. All documents prepared or furnished by Engineer are instruments of service, and Engineer retains an ownership and property interest (including the copyright and the right of reuse) in such documents, whether or not the Project is completed. Notwithstanding the foregoing, Owner shall have an unlimited, irrevocable license to use the documents on the Project, on any continuation or extensions of the Project, for related uses of the Owner, and for any other use or purpose, subject to receipt by Engineer of payment due and owing for all Services and Additional Services relating to preparation of the documents and subject to the following limitations:
  - 1. Owner acknowledges that such documents are not intended or represented to be suitable for use on the Project unless completed by Engineer, or for use or reuse by Owner or others on continuation or extensions of the Project, on any other project, or for any other use or purpose, unless written verification of such intent or representation is provided by Engineer;
  - 2. Engineer shall not prohibit, shall not be compensated for, and grants the Owner an unlimited, irrevocable license for, any use or reuse, or any modification of the documents, even if the documents lack written verification, completion, or adaptation by Engineer, but such use, reuse or modification will be at Owner's sole risk and without liability or legal exposure to Engineer or to its officers, directors, members, partners, agents, employees, and consultants;
  - 3. To the extent permitted by applicable law, Owner shall indemnify and hold harmless Engineer and its officers, directors, members, partners, agents, employees, and consultants from all claims, damages, losses, and expenses, including attorneys' fees, arising out of or resulting from any use, reuse, or modification of the documents by Owner on extensions of the Project. To reduce the likelihood that anyone will make claims against Engineer arising out of such reuse, Owner may modify documents involved in such reuse by either (a) indicating the Engineer did not prepare them for such reuse and is not responsible for their reuse, or (b), unless prohibited by applicable law and regulations, deleting Engineer's name from them; and
  - 4. such unlimited, irrevocable license to Owner shall not create any rights in third parties and furthermore, Engineer shall be informed if and when Owner elects to exercise any use, reuse, or

modification of the instruments of service prepared by Engineer (but failure to inform Engineer of such use, reuse, or modification shall not invalidate or undermine the said license).

- G. Owner and Engineer may transmit, and shall accept, Project-related correspondence, documents, text, data, drawings, information, and graphics, in electronic media or digital format, either directly, or through access to a secure Project website, in accordance with a mutually agreeable protocol.
- H. Reserved.
- I. The parties acknowledge that Engineer's Services do not include any services related to unknown or undisclosed Constituents of Concern. If Engineer or any other party encounters, uncovers, or reveals an unknown or undisclosed Constituent of Concern, then Engineer may, at its option and without liability for consequential or any other damages, suspend performance of Services on the portion of the Project affected thereby until such portion of the Project is no longer affected, or terminate this Agreement for cause if it is not practical to continue providing Services.
- J. Owner and Engineer agree to negotiate each dispute between them in good faith during the 30 days after notice of dispute. If negotiations are unsuccessful in resolving the dispute, then the Owner and Engineer may agree to mediation. If mediation is used and is unsuccessful, then the parties may exercise their rights at law. If, however such dispute arises after the Owner has engaged a general contractor for construction work and during the construction administration phase of this Agreement, if any, the Owner and Engineer may avail themselves of the dispute resolution process adopted by the State Building Commission pursuant to N.C.G.S. § 143-128(f1).
- K. This Agreement is to be governed by the law of the state of North Carolina in which the Project is located. All actions relating in any way to this Agreement shall be brought in the General Court of Justice of the State of North Carolina or in the Federal District Court for the Eastern District of North Carolina.
- L. Engineer's Services and Additional Services do not include: (1) serving as a "municipal advisor" for purposes of the registration requirements of Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (2010) or the municipal advisor registration rules issued by the Securities and Exchange Commission; (2) advising Owner, or any municipal entity or other person or entity, regarding municipal financial products or the issuance of municipal securities, including advice with respect to the structure, timing, terms, or other similar matters concerning such products or issuances; (3) providing surety bonding or insurance-related advice, recommendations, counseling, or research, or enforcement of construction insurance or surety bonding requirements; or (4) providing legal advice or representation.

#### 6.01 *Total Agreement*

- A. This Agreement (including any expressly incorporated attachments), constitutes the entire agreement between Owner and Engineer and supersedes all prior written or oral understandings. This Agreement may only be amended, supplemented, modified, or canceled by a duly executed written instrument.

#### 7.01 *Definitions*

- A. **Constructor**—Any person or entity (not including the Engineer, its employees, agents, representatives, and consultants), performing or supporting construction activities relating to the Project, including but not limited to contractors, subcontractors, suppliers, Owner's work forces, utility companies, construction

managers, testing firms, shippers, and truckers, and the employees, agents, and representatives of any or all of them.

- B. *Constituent of Concern*—Asbestos, petroleum, radioactive material, polychlorinated biphenyls (PCBs), hazardous waste, and any substance, product, waste, or other material of any nature whatsoever that is or becomes listed, regulated, or addressed pursuant to (a) the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§9601 et seq. (“CERCLA”); (b) the Hazardous Materials Transportation Act, 49 U.S.C. §§5101 et seq.; (c) the Resource Conservation and Recovery Act, 42 U.S.C. §§6901 et seq. (“RCRA”); (d) the Toxic Substances Control Act, 15 U.S.C. §§2601 et seq.; (e) the Clean Water Act, 33 U.S.C. §§1251 et seq.; (f) the Clean Air Act, 42 U.S.C. §§7401 et seq.; or (g) any other federal, State, or local statute, law, rule, regulation, ordinance, resolution, code, order, or decree regulating, relating to, or imposing liability or standards of conduct concerning, any hazardous, toxic, or dangerous waste, substance, or material.

#### 8.01 *Town of Nags Head Provisions*

- A. *Performance of Government Functions.* Nothing contained in this Agreement shall be deemed or construed so as to in any way estop, limit, or impair the Town from exercising or performing any regulatory, policing, legislative, governmental, or other powers or functions.
- B. *Independent Contractor.* Both the Owner and Engineer and its subconsultants, if any, agree that the Engineer and its subconsultants, if any, shall act as an independent contractor and shall not represent itself as an agent or employee of the Town for any purpose in the performance of the Engineer’s duties under this Agreement. Accordingly, the Engineer shall be responsible for payment of all Federal, State, and local taxes arising out of the Engineer’s and sub consultants, as applicable, activities in accordance with this Agreement, including by way of illustration but not limitation, Federal and State income tax, Social Security tax, Unemployment Insurance taxes, and any other taxes or business license fees as required.
- C. *Insurance and Indemnity.* The Engineer and its subconsultants, if any, shall indemnify and save harmless the Town, its agents and employees from and against all actions, liability, claims, suits, damages, cost or expenses of any kind which may be brought or made against the Town or which the Town must pay and incur by reason of or in any manner resulting from injury, loss or damage to persons or property resulting from negligent performance of or failure to perform any of its obligations under the terms of this Agreement.
  1. The Engineer and its subconsultants, if any, shall be fully responsible to the Town for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by it, as the Engineer is for the acts and omissions of persons directly employed by it.
  2. The Engineer and its subconsultants, if any, shall comply with the North Carolina Worker’s Compensation Act and shall provide for the payment of workers’ compensation to its employees in the manner and to the extent required by such Act. In the event the Engineer and subconsultants, if any, are excluded from the requirements of such Act and does not voluntarily carry workers’ compensation coverage, the Engineer shall carry or cause its employees to carry adequate medical/accident insurance to cover any injuries sustained by its employees or agents during the performance of Services and in accordance with the limits specified in Appendix 2.

3. The Engineer and its subconsultants, if any, agrees to furnish the Town proof of compliance with said Act or adequate medical/accident insurance coverage upon request and in accordance with the limits specified in Appendix 2.
  4. The Engineer and its subconsultants, if any, upon request by the Town shall furnish a Certificate of Insurance from an insurance company, licensed to do business in the State of North Carolina and acceptable to the Town verifying the existence of any insurance coverage required by the Town and in accordance with the limits specified in Appendix 2. The Certificate will provide for sixty (60) days advance notice in the event of termination, reduction, or cancellation of coverage.
- D. *Health and Safety.* The Engineer and its subconsultants, if any, shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the work. The Engineer and its subconsultants, if any, shall take all necessary precautions for the safety of, and shall provide the necessary protection to prevent damage, injury or loss to all employees from the work and other persons who may be affected thereby.
- E. *Non-Discrimination in Employment.* The Engineer or its subconsultants, if any, shall not discriminate on any basis prohibited by applicable Federal or State law. In the event the Engineer or its subconsultants, if any, is determined by the final order of an appropriate agency or court to be in violation of any non-discrimination provision of federal, state or local law, this Agreement may be cancelled, terminated or suspended in whole or in part by the Town, and the Engineer may be declared ineligible for further contracts.
- F. *E-Verification of Employees:* The Engineer represents and warrants that it has ensured and will ensure for itself and each subcontractor that it uses to perform obligations under this Agreement, that either:
1. The Engineer or subcontractor employs less than 25 employees; or
  2. The Engineer or subcontractor: (a) employs 25 or more employees who are employed for 9 months or more during a 12-consecutive-month period; and (b) has used the E-Verify program, which program is operated by the United States Department of Homeland Security and is defined in N.C. Gen. Stat. § 64-25 (5), to verify the work authorization of each employee.
- G. *Other Provisions.* This Agreement is subject to such additional provisions as are set forth in any addendum executed separately by each party and attached hereto.
- H. *Contract Documents/Amendments.* This document together with the purchase order and any incorporated exhibits constitutes the entire Agreement between the said two parties and may only be modified by a written mutual agreement signed by the parties and attached hereto. In the event of any conflict between this Agreement and any attached documents, the Agreement language will prevail. The provisions of this Agreement are separate and divisible. In the event that any provision of this Agreement shall be held invalid, the remaining provisions shall be construed and shall be valid as if the invalid provisions were not a part of this Agreement.

9.01 *Address for Notice:*

The Owner's address for giving notice is:

ATTN: Cliff Ogburn  
Town Manager  
Town of Nags Head  
P.O. Box 99  
Nags Head, NC 27959

The Engineer's Address for giving notice is:

P.O. Box 8056  
Columbia, SC 29202-8056

Owner's Designated Representative

David Ryan, P.E.  
Phone Number: 252.441.6221  
Email: david.ryan@nagsheadnc.gov

Engineer's Designated Representative

Tim Kana, Phd, PG  
Phone Number: 803.799.8949  
Email: tkana@coastalscience.com

10.01 *Attachments: Appendix 1, Engineer's Standard Hourly Rates*

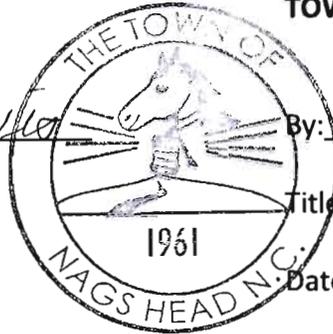
*Appendix 2, Insurance*

*Exhibit A- The Proposal- Phase 1 Professional Services for Nags Head Beach Renourishment, Nags Head, Dare County, North Carolina (17 May 2016)*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, the Effective Date of which is indicated on page 1.

Both the Owner and the Engineer agree to the above Agreement.

**TOWN OF NAGS HEAD**



[Signature]  
Witnessed or Attested By:

By: [Signature]

Title: Town Manager

Date: 6-13-16

[Signature]  
Witnessed or Attested By:

**ENGINEER**

Corporate Seal:

By: [Signature]

Printed Name: TIMOTHY W KANA

Title: PRESIDENT

Date: 9 JUNE 2016

"This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act."

[Signature]  
Finance Officer

APPROVED AS TO FORM AND LEGAL SUFFICIENCY.

[Signature]  
TOWN ATTORNEY

This is **Appendix 1, Engineer's Standard Hourly Rates**, referred to in and part of the Short Form of Agreement between Owner and Engineer for Professional Services dated [ June 10, 2016 ].

**Engineer's Standard Hourly Rates**

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**A. Standard Hourly Rates:**

1. Standard Hourly Rates are set forth in this Appendix 1 and include salaries and wages paid to personnel in each billing class plus the cost of customary and statutory benefits, general and administrative overhead, non-project operating costs, and operating margin or profit.
2. The Standard Hourly Rates apply only as specified in Paragraphs 2.01, 2.02, and 2.03, and are subject to annual review and adjustment.

**B. Schedule of Hourly Rates:**

1. *Coastal Science & Engineering*

<b>Description</b>	<b>Rate</b>
Senior Principal	\$ [ 160 ]/hour
Project Engineer (Sr. Coastal Engineer	\$ [ 130 ]/hour
Coastal Engineer/Scientist II	\$ [ 110 ]/hour
Engineer/Scientist I	\$ [ 100 ]/hour
Senior Technical Associate	\$ [ 90 ]/hour
Technical Staff (CAD)	\$ [ 85 ]/hour
Support Staff (Editorial/Admin)	\$ [ 65 ]/hour
Field/Technical Assistants	\$ [ 65 ]/hour

2. *CZR*

<b>Billing Class</b>	<b>Rate</b>
Technical Director II	\$ [ 180 ]/hour
Technical Director I	\$ [ 176 ]/hour
Senior Environmental Scientist I	\$ [ 91 ]/hour

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Appendix 2, Insurance.

Biologist II	\$ [ 71 ]/hour
Biologist I	\$ [ 59 ]/hour
Secretarial	\$ [ 75 ]/hour
Graphic Design	\$ [ 52 ]/hour
Secretary	\$ [ 72 ]/hour

3. Expert witness services are available at 1.5 times the base billing rates. Such services include trial preparation, depositions, and court appearances (travel excluded).
4. In-house expenses are included in the fee schedule and are calculated as 5% of the professional services covering the following; communications IT services, mailing, copying, project E & O insurance, etc. in lieu of separate itemization of these items.
5. Direct expenses will be billed at cost covering equipment rental, vehicle rental, travel, lodging, meals, laboratory testing, expendable supplies, presentation graphics, overnight shipping, etc.
6. *Reimbursable Expenses*

Billing Class	Rate
Mileage	\$ [ 0.54 ]/mile OR current IRS reimbursement rate
Lodging and meals (peak season)	\$ [ 175 ]/day
24-foot survey vessel	\$ [ 500 ]/day
4X4 Tow Vehicle	\$ [ 50 ]/day
RTK-GPS	\$ [ 400 ]/day
Coring Equipment	\$ [ 600 ]/day
Positioning Equipment	\$ [ 100 ]/day
Scuba Gear/underwater communications equipment	\$ [ 150 ]/day
Off-road 4x4 vehicle	\$ [ 120 ]/day
Housing rental during construction	\$ [ 5,500 ]/month (peak season)

This is **Appendix 2, Insurance**, referred to in and part of the Short Form of Agreement between Owner and Engineer for Professional Services dated [ June 10, 2016 ].

## Insurance

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### A. Insurance:

1. The limits of liability for the insurance of the Agreement are as follows:

a. By Engineer

- |   |              |
|---|--------------|
| 1) Workers Compensation   | Statutory    |
| 2) Employer's Liability—  | OR           |
| a) Bodily injury/disease, aggregate:  | \$ 1,000,000 |
| 3) General Liability—   |              |
| a) Each Occurrence (Bodily Injury and Property Damage):                             | \$200,000    |
| b) General Aggregate:   | \$ 1,000,000 |
| 4) Excess or Umbrella Liability –   |              |
| a) Per Occurrence:  | \$           |
| b) General Aggregate:   | \$           |
| 5) Automobile Liability – Combined Single Limit (Bodily Injury and Property Damage) | \$ 1,000,000 |
| 6) Professional Liability –   |              |
| a) Each Claim Made  | \$ 2,000,000 |
| b) Annual Aggregate   | \$ 2,000,000 |
| 7) Other(specify)   | \$           |