

April 14, 2026

Thomas A. Speelmon
Public Utilities Director
City of Miles City
17 South 8th Street, Suite 2,
Miles City, MT 59301

Dear Tom

Thank you for the opportunity to propose for the engineering services on the heater replacement for the Water Treatment Plant in Miles City, Montana.

Scope of Work:

Provide design to replace the existing Reznor Roof mounted gas fired unit heater with new equipment. Roof flashings will be addressed in the current sdi re-roofing project.

Design Phase:

Provide stamped drawings and specifications that represent the project conditions and requirements. Work with the staff of the Client, to provide the desired details with respect to piping, equipment selection and temperature controls.

Mechanical:

- Select, schedule and detail a one for one replacement of the existing Reznor RPB 250MBH units with new.

Electrical:

- Disconnect (4) units to be demolished and reconnect new units. New equipment is assumed to be 480v – 3 phase to match existing.

Plumbing:

- Disconnect and reconnect gas piping at the (4) units to be replaced.

Fire Suppression: None.

Bidding Phase:

Administer the Bidding phase for Client. Coordinate with plan houses, prospective bidders and the Client to provide a competitive bidding environment for this project. Schedule and oversee a pre-bid walk through for this project. It is assumed that the Client will publicly open the bids.

Construction Phase:

Assist the Client with the administration of the construction. Facilitate paperwork as required by the Client with the Contractor. Provide verification of the completeness and thoroughness of the Contractor's work. Facilitate a pre-construction meeting; perform eight progress observations, and one final punch.

Post - Construction Phase:

Develop final Project Record Drawings for the Client's records.

Facilitate an 11 month warranty walkthrough of the project with Client's representative and the General Contractor.

Deliverables:

- Mechanical, electrical and plumbing final stamped construction documents.

Assumptions: to complete above scope

- 2021 International Codes / 2021 Uniform Plumbing Code are in force for the design.
- Scope is limited to area of the building impacted.
- City of Miles City will retain ownership of all proprietary data, pictures specific to City property. Simplicity retains the ownership and copyrights of the instruments of service (drawing presentation, calculations, details, schedules, etc) and grants the client a limited license for a stated purpose.
- The standard of care for all professional services performed or furnished by Consultant under this Agreement will be the skill and care used by members of Consultant's profession practicing under similar circumstances at the same time and in the same locality. Consultant makes no warranties, express or implied, under this Agreement or otherwise, in connection with Consultant's services.
- The Client understands that Consultant's services are provided as a technical expert, the Consultant will provide reasonable effort to accommodate the Client's and the Owner's wishes and deviations from the proposed design, however, the Consultant will not lessen the design against his professional opinion to satisfy technical requests from the Client or Owner.
- Simplicity's scope of services shall be compliant only with codes and standards as approved by the Authority Having Jurisdiction and any Owners as agreed to at the initial start of the Work for the Agreement.
- The standard of care for all professional services performed or furnished by Consultant under this Agreement will be the skill and care used by members of Consultant's profession practicing under similar circumstances at the same time and in the same locality. Consultant makes no warranties, express or implied, under this Agreement or otherwise, in connection with Consultant's services.
- The Client understands that Consultant's services are provided as a technical expert, the Consultant will provide reasonable effort to accommodate the Client's and the Owner's wishes and deviations from the proposed design, however, the Consultant will not lessen the design against his professional opinion to satisfy technical requests from the Client or Owner.
- Simplicity's scope of services shall be compliant only with codes and standards as approved by the Authority Having Jurisdiction and any Owners as agreed to at the initial start of the Work for the Agreement.
- Simplicity shall increase professional liability insurance to \$2 million per incident amount per specific project. Certificate of insurance will be provided as requested.

Compensation of Services:

The compensation shall be lump sum format. Invoices shall be due upon presentation. The total requested fee for the project is as follows. This fee excludes printing, advertisement, or insurance rates above our standard amounts.

<u>Design Phase:</u>		<u>Additional information</u>
Construction Documents	\$4,250	<i>Project development. Includes site investigation performed April 8, 2026.</i>
* <u>Bidding:</u>	\$2,300	<i>No printing – plan houses uploads/coordination, attend prebid walk through.</i>
* <u>Construction:</u>	\$5,250	<i>Fee includes (2) observations (kick-off & progress) and 1 punch are anticipated.</i>
* <u>Project Record Drawing:</u>	\$250	<i>Develop Project Record Drawings (PDR). Anticipate a reimbursable expense for printing (2) copies of the drawings for the plan room. CD shall be turned over at this time with pictures, PDR in AutoCAD and PDF formats.</i>
* <u>11 Month Warranty Walk:</u>	\$400	<i>Make a final walk through with Client's Staff and General Contractor to identify any outstanding warranty items. Fee includes a write up of the findings.</i>

** Phase can be selected at the preference of the Client*

Additional Services:

Compensation for additional services will be incurred at \$145/hour.

Any proposal not approved and under contract within 270 days of proposal date, is not valid without discussions between Client and Simplicity.

Services Excluded from our Agreement:

- Services may be requested such as change in delivery, change in format of drawings or specifications from our standard, a value engineering session to lower project bid cost, energy modeling, or consulting in addition to the above defined scope.
- Change directives and requests either verbally or written beyond the scope as identified above. Simplicity will make attempts to negotiate a signed modification to our Agreement prior to commencing, however, timing of request with anticipated completion may require good faith understanding that additional compensation will be agreed to and negotiated after the fact.
- Systems not identified above – fire suppression, lighting, security, audio/visual, utility power, electrical infrastructure/service modifications.
- Construction site safety for any individuals or entities other than direct employees of Simplicity CED, LLC.
- It is acknowledged by both parties that Consultant’s scope of services does not include any services related to the presence at the site of asbestos, PCBs, petroleum, hazardous waste or radioactive materials. Client acknowledges that Consultant is performing professional services for Client and Consultant is not and shall not be required to become an “arranger,” “operator,” “generator” or “transporter” of hazardous substances, as defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1990 (CERCLA).
- Electronic transfer of media shall only occur with the acceptance of Simplicity’s electronic media agreement and items listed therein.
- Any certification, insurance of design/performance, warranty and or guarantee are not included in the professional services agreement.

Please sign and return this Agreement, or provide a City preferred contract to review and sign.

Thank you again for allowing me the opportunity to submit a fee for this project.

Sincerely,



Cory Hasiak, P.E.

City of Miles City

Thomas A. Speelmon

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Term of the Agreement:

Client may terminate this Agreement with seven days' prior written notice to Consultant for convenience or cause. Consultant may terminate this Agreement for cause with seven days' prior written notice to Client. Failure of Client to make payments when due shall be cause for suspension of services or, ultimately, termination, unless and until Consultant has been paid in full all amounts due for services, expenses and other related charges

Simplicity CED, LLC (Simplicity) reserves the right to terminate the contract upon notification of the Client's intention to assign the contract to a third party.

Both parties agree that there are no third-party benefactors to the Agreement.

Invoices are due upon presentation. Invoice will accrue interest from the first day after the date on invoice. No assessment of interest will occur until 90 days after date of invoice, if the invoice is not paid in full by that date. Interest rate shall be 5% APR.

Simplicity retains the ownership and copyrights of the instruments of service as defined above. Use of Company documents for unauthorized or misuse is at the Client's sole risk.

The standard of care for all professional services performed or furnished by Consultant under this Agreement will be the skill and care used by members of Consultant's profession practicing under similar circumstances at the same time and in the same locality. Consultant makes no warranties, express or implied, under this Agreement or otherwise, in connection with Consultant's services. Consultant shall act as an independent contractor at all times during the performance of its services, and no term of this Agreement, either expressed or implied, shall create an agency or fiduciary relationship.

The Client understands that Consultant's services are provided as a technical expert, the Consultant will provide reasonable effort to accommodate the Client's and the Owner's wishes and deviations from the proposed design, however, the Consultant will not lessen the design against his professional opinion to satisfy technical requests from the Client or Owner.

Simplicity shall be permitted to rely on the manufacturer's or supplier's representations and shall not be responsible for any damages arising from failure of the material or equipment to perform in accordance with the manufacturer's or supplier's representations.

Simplicity shall be entitled to rely on and shall not be responsible for the accuracy, completeness, and timeliness of services and information furnished by the Owner and the Owner's Consultants.

Simplicity's scope of services shall be compliant only with codes and standards as approved by the Authority Having Jurisdiction and any Owners as agreed to at the initial start of the Work for the Agreement.

Client and Consultant 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 to mediation in accordance with the Construction Industry Mediation Rules of the American Arbitration Association, effective as of the date of this Agreement.

Simplicity shall not be responsible for the acts or omissions of any Contractor or Subcontractor or any other persons at the site or otherwise performing any of the Contractor's work. However, nothing contained herein shall be construed to release Simplicity from his responsibilities to properly perform duties undertaken by him as a part of this Agreement.

Indemnification

The Consultant agrees, to the fullest extent permitted by law, to indemnify and hold harmless the Client, its officers, directors and employees (collectively, Client) against all actual damages, liabilities or costs, including reasonable attorneys' fees and defense costs, to the extent caused by the Consultants negligent performance of professional services under this Agreement and that of its subconsultants or anyone for whom the Consultant is legally liable.

The Client agrees, to the fullest extent permitted by law, to indemnify and hold harmless the Consultant, its officers, directors, employees and subconsultants (collectively, Consultant) against all actual damages, liabilities or costs, including reasonable attorneys' fees and defense costs, to the extent caused by the Client's negligent acts in connection with the Project and the acts of its contractors, subcontractors or consultants or anyone for whom the Client is legally liable.

Neither the Client nor the Consultant shall be obligated to indemnify the other party in any manner whatsoever for the other party's negligence.

Simplicity carries professional liability insurance with policy components at Simplicity's discretion. Certificate of insurance will be provided with expressed written request for information. Additional insurance requirements at the request of the Client may be added with negotiation of contract amount to cover all costs associated with increasing policy amounts.

Betterment or value added to the project resulting from a change order to Contract Documents shall not be the responsibility of the Engineer to incur the cost.

Simplicity's liability shall not exceed the total insurance proceeds paid on behalf of or to the Engineer by the Engineer's insurers in settlement or satisfaction of the Owner's Claims under the terms and conditions of the Engineer's insurance policies applicable thereto (excluding fees, costs and expenses of investigation, claims adjustments, defense and appeal).