



Banner Associates, Inc.
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November 27, 2024

Mr. Lynn Solberg
Codington Co. – Interim Hwy Superintendent
1201 10th St. NW
Watertown, SD 57201

Re: Letter of Contract Proposal – Storage Building Improvements Design
Watertown, South Dakota

Dear Mr. Solberg:

Banner Associates, Inc. ("Banner") is pleased to submit this letter of contract proposal for engineering and architectural services of improvements to the truck storage building for the county highway shop.

Project Understanding:

It is Banner's understanding that the highway department would like to improve the truck storage space of the shop building. The primary improvements would include:

- review of structural framing for potential layout changes,
- concrete floor,
- floor drains,
- insulating the building,
- installation of interior wall and ceiling sheeting,
- replacing exterior wall sheeting,
- heating,
- replacing pavement along the east side of the building.

Based on budget numbers, it appears the project may require construction of the work in 2 phases. Banner will package improvements to efficiently utilize the funds available for the phases of the work.

Scope of Services:

1. Banner shall provide an updated opinion of probable cost for the improvements to be used in budgeting.
2. Banner shall prepare construction documents to allow for public bidding of the project.
Construction documents shall include:
 - a. Drawings include general notes, floor plans, sections and details for structural, architectural, mechanical and electrical disciplines.
 - b. Project manual with construction contracts and technical material specifications.
3. Banner shall assist in bidding the project and answering questions of bidders.



4. Banner shall perform construction contract administration including shop drawing review, progress meetings and necessary site visits.

Exclusions:

Based on our understanding of the project, the following items are excluded from our Scope of Services:

- Furniture, Furnishings and Equipment (FF&E) Design.
- Building Permits;
- Geotechnical Exploration (Soil Borings, etc.)
- Testing Services (such as concrete tests, soil compaction tests, etc.);

Client Obligations:

- Owner supplied data or documents necessary for floorplan layout.
- Accessibility to building for compiling required building data to finalize plans.

Architectural / Engineering Services Compensation:

We are proposing to complete the work based on our Standard hourly rates with the following not to exceed limits. These limits would include design, bidding and construction administration for second phase of work to likely be bid in 2026.

Opinion of Probable Cost, Design and Construction Documents	\$73,200
Construction Administration	\$15,100
<u>Mechanical/Electrical Sub-consultant (Lump Sum)</u>	<u>\$20,000</u>
Total	\$108,300

These fees do not include cost for any permits required for construction, reimbursable expenses (such as mileage, per diem, copies, etc.) or applicable taxes. Any additional work that falls outside this scope will be billed separately based on our hourly rates in accordance with the attached fee schedule.

Proposed Time Schedule for Submittals to Owner:

The proposed schedule is to provide the Owner with Construction Documents to be prepared with the intent to bid the first phase of the project in February of 2025 with construction to occur in the summer/fall of 2025. Any necessary second phase would likely be prepared with a similar timeline in 2026.

This Letter of Contract incorporates and includes Banner's Standard Hourly Labor Rates & General Conditions.



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If you have any questions regarding this contract, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Pat Carey".

Pat Carey, PE
Senior Vice President
Banner Associates, Inc.

A handwritten signature in black ink, appearing to read "Adam Hanson".

Adam Hanson, PE
Structural Department Head
Banner Associates, Inc.

Enclosure:

1. Schedule of Labor Rates/General Conditions

ACKNOWLEDGMENT OF ACCEPTANCE

Accepted this _____ day of _____

Client: _____

Business: Codington County

GENERAL CONDITIONS

Agreement. The entire Agreement between the Client and Banner shall consist of the Letter of Contract, the Schedule of Labor Rates and Expenses and these General Conditions ("Agreement"). The Agreement represents the entire, integrated Agreement and supersedes all other negotiations, representations or agreements, either written or oral. The Agreement may be amended only by written agreement of the Parties. Banner's services are limited to those specifically identified in the Agreement.

Authorization to Proceed. Execution of this Agreement by the Client will be authorization for Banner to proceed with the Services, unless otherwise provided in the Agreement.

Cost Opinions. Any opinion of cost provided by Banner will be on a basis of experience and judgment, but, since construction costs are dependent upon many market and other conditions over which Banner has no control, Banner shall not be responsible for variations between actual costs and any opinion of cost.

Standard of Care. In the performance of its professional services, Banner will use that degree of care and skill ordinarily exercised by similarly situated professionals under like and similar circumstances. No express or implied warranties are applicable to, or provided with, any of Banner's services.

Payment. Monthly invoices will include charges incurred during the preceding month. Payment of the invoice is due within thirty (30) days following the date of the invoice. A charge of one and one-half percent (1 1/2%) per month, or the maximum legal rate for commercial accounts, whichever is less, will be charged for late payment. Client shall be responsible for reimbursing Banner for all costs incurred in collecting delinquent amounts owed by Client.

Termination. This Agreement may be terminated for convenience upon 30 days' written notice, or for cause, if either party fails to substantially perform as required under the Agreement through no fault of the other party and does not commence to diligently correct such nonperformance within 5 days of receipt of written notice. Upon termination, Banner will be paid for all services authorized and performed up to the termination date plus reasonable termination expenses incurred by Banner as a result of the termination. This Agreement will otherwise terminate upon completion of all applicable requirements of the Agreement. The Indemnity and Limitation of Liability Provision shall survive any termination of this Agreement.

Indemnity and Limitation of Liability. The Client agrees to defend, indemnify and hold Banner and its professionals, officers, employees, representatives and agents harmless from and against all claims, costs, expenses (including attorney's fees and expenses) asserted against Banner in connection with the Project, including, but not limited to claims involving hazardous substances, except to the extent caused by the sole negligence of Banner. Banner's liability to the Client for losses, damages or injuries arising out of the performance of Banner's services or the Project will be limited to a sum not to exceed the greater of \$50,000 or Banner's fee (to a maximum of \$1,000,000 or the amount of any insurance available to cover such liability if less than \$1,000,000).

Severability. If any provision of this Agreement is held to be invalid or unenforceable, the remainder of the Agreement shall not be affected and shall continue to be valid and enforceable to the fullest extent permitted by law.

Hazardous Substances. Unless specifically stated in this Agreement, Banner shall have no responsibility for the discovery, presence, handling, removal or disposal of, or exposure of persons to, hazardous materials or toxic substances in any form at the Project site.

Interpretation. This Agreement and any claims or disputes arising out of, or relating to, the Agreement shall be governed by the laws of the State of South Dakota, other than any choice of law provisions under South Dakota law.

No Third Party Beneficiaries. This Agreement is for the sole benefit of Client and Banner and nothing contained in this Agreement shall create a contractual relationship with, or a cause of action in favor of, any third party against either Client or Banner.

Responsibility for Construction. The Client agrees that in accordance with generally accepted construction industry standards, Banner shall not have control over, charge of, or responsibility for the construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with the Project, since they are solely the responsibility of the contractor, and Banner shall not have control over or charge of, and shall not be responsible for, acts or omissions of the contractor, including, but not limited to the contractor's failure to perform its work in accordance with industry standards and the requirements of any plans and specifications.