



August 20, 2012

VIA EMAIL: vbejarano@co.gila.az.us

Ms. Valrie Bejarano
Gila County Finance
1400 East Ash Street
Globe, AZ 85501

**Subject: Proposal for Environmental Consulting Services
Comprehensive Asbestos Inspection
3659 North Cemetery Road, Pine
FM Proposal P12-435**

Dear Ms. Bejarano:

FM GROUP INC (FM) is prepared to provide Gila County (GC) with Environmental Consulting Services associated with the planned renovation activities at the subject facility. This Proposal is in response to the request for proposal received on August 15, 2012. This Proposal outlines FM's understanding of the project, proposed scope of services, project team, schedule and identifies fees.

PROJECT UNDERSTANDING

FM understands that GC is planning renovation activities in various areas at the subject facility. Prior to renovation activities occurring, GC requires a Comprehensive Asbestos Inspection. This inspection will bring GC into compliance with their required "due diligence" investigation regarding the identification, location and National Emission Standards for Hazardous Air Pollutants (NESHAP) classification of any Asbestos-Containing Materials (ACM) prior to their disturbance.

SCOPE OF SERVICES

FM proposes to perform the following tasks: Survey, Bulk Samples and prepare a Report of Findings.

FM's inspection work will be performed by Environmental Protection Agency (EPA) Accredited Building Inspectors experienced with current asbestos and lead regulations and the building materials/systems utilized in construction, and will bring GC into compliance with requirements that a thorough inspection for asbestos be performed prior to any renovation/demolition activities occurring. This inspection will be conducted following EPA/Asbestos Hazard Emergency Response Act (AHERA) Regulation 40 CFR 763 regarding required survey procedures and protocols.

Task 1: Survey

Visual Inspection

A visual inspection of the subject facility will be performed to identify suspect ACM used in construction. These suspect materials will be categorized into Homogeneous Areas (HA). All materials with the exception of glass, wood, metal and fibrous glass, glass foam and rubber thermal insulation will be considered suspect.

Sample Collection

FM's sampling strategy will be in accordance with the sampling protocols described in EPA/AHERA Regulation 40 CFR 763.86. Sampling procedures will include engineering controls to minimize the release of airborne fibers during sample collection.

Physical Assessment

The suspect building materials will be physically assessed for friability. This will be done by physically touching the surface of each material by hand. Additionally, the materials will be assessed for any signs of damage or degradation.

Task 2: Bulk Samples

Asbestos bulk-material samples accompanied by appropriate Chain-of-Custody (COC) documentation will be delivered to an accredited National Voluntary Laboratory Accreditation Program (NVLAP) laboratory, for analysis by Polarized Light Microscopy (PLM) by the EPA-66/M4-82-020 methodology to determine the percentage of asbestos. It is anticipated that approximately 69 bulk-material samples will be collected and submitted for analysis. If during the course of this fieldwork it is determined that this estimate of samples will be exceeded, FM will notify GC and mutually determine a revised sampling strategy.

Task 3: Report of Findings

Following completion of the fieldwork and receipt of laboratory analytical results, FM will prepare a Report of Findings to document the inspection activities for the facility.

PROJECT TEAM

FM's project team for these activities is as follows:

- | | | |
|----|---------------------------------|--|
| 1. | Environmental Division Manager: | Paul Anger |
| 2. | Environmental Project Manager: | Cliff Rolle |
| 3. | Field Technicians: | EPA Accredited Technicians as required |

SCHEDULE

FM is prepared to initiate the proposed services upon acceptance of this proposal.

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FEES

FM's Arizona State Contract No. is AD050026-5. Fees are as follows:

Task 1:	Survey	\$	797.50
Task 2:	Bulk Samples	\$	569.25
Task 3:	Report of Findings	\$	<u>342.50</u>
	TOTAL	\$	1,709.25*

*See attached worksheet for detailed cost breakout.

ACCEPTANCE

To acknowledge acceptance of this proposal, please issue a Purchase Order.

Thank you for the opportunity to provide this proposal to Gila County. If you have any questions regarding this proposal, please do not hesitate to contact us at (602) 277-7877.

Sincerely,

FM GROUP INC



Cliff Rolle
Environmental Project Manager



Paul Anger
Environmental Division Manager

Attachments: *Proposal Worksheet*
Terms and Conditions

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GILA COUNTY


Don E. McDaniel, Jr., County Manager

Date: 8/28/12

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PROPOSAL WORKSHEET

Task	Work Activity	Staff	Rate	Units	Subtotal
1	SURVEY				
	Fieldwork and Documentation	Sr. Field Technician	\$55.00 /hr	6	\$330.00
	Floor Plans	CADD Technician	\$45.00 /hr	1.5	\$67.50
	Management	Project Manager	\$85.00 /hr	1	\$85.00
	Travel	Sr. Field Technician	\$55.00 /hr	4	\$220.00
	Mileage		\$0.50 /mi	190	\$95.00
				SUBTOTAL	\$797.50
2	BULK SAMPLES				
	Sample Analysis, PLM	Subcontractor	\$8.25 /ea	69	\$569.25
				SUBTOTAL	\$569.25
3	REPORT OF FINDINGS				
	Report Development	Project Manager	\$85.00 /hr	2	\$170.00
	Report Review	Program Manager	\$105.00 /hr	1	\$105.00
	Report Preparation	Clerical	\$45.00 /hr	1.5	\$67.50
				SUBTOTAL	\$342.50
				TOTAL	\$1,709.25

CONTRACT TERMS AND CONDITIONS

ARTICLE I - SERVICES TO BE PROVIDED

FM GROUP INC, through and by its officers, employees and subcontractors, (hereinafter called FM) is an independent consultant and agrees to provide Client, for its sole benefit and exclusive use, consulting services set forth in our proposal. No third party beneficiaries are intended by this Agreement.

ARTICLE II - PAYMENT TERMS

FM's payment terms are as follows:

- A. Client agrees to pay FM's invoice upon receipt. Client receipt of invoice will be presumed three days after mailing by FM first class, with adequate postage attached. Time is of the essence for this provision.
- B. Late Fee Charges - If payment is not received within 30 days from the Client's receipt of FM's invoice, Client agrees to pay a service charge on the past due amount at the greater of 1% per month or the allowable legal rate, including reasonable attorney's fees and expenses if collected through an attorney. No deduction shall be made from FM's invoice on account of liquidated damages unless expressly included in the Agreement. After five days prior notice to Client, FM may suspend services until paid on any project where payment of invoiced amounts not reasonably in dispute is not received by FM within 60 days of Client's receipt of FM's invoice.

ARTICLE III - TERMINATION

Either party may terminate this Agreement without cause upon 30 days prior written notice. This Agreement will terminate automatically upon the insolvency of Client. In the event Client requests termination prior to completion of the proposed services, Client agrees to pay FM for all reasonable charges incurred to date and associated with termination of the work.

ARTICLE IV - STANDARD OF CARE

FM will perform its services using that degree of care and skill ordinarily exercised under similar conditions by reputable members of FM's profession practicing in the same or similar locality at the time of service. NO OTHER WARRANTY, EXPRESS OR IMPLIED, IS MADE OR INTENDED BY OUR PROPOSAL OR BY OUR ORAL OR WRITTEN REPORTS.

ARTICLE V - INSURANCE

FM maintains insurance coverage as follows:

A.	<u>AUTOMOBILE LIABILITY:</u>	(\$300,000/\$500,000/\$50,000)
B.	<u>COMMERCIAL GENERAL LIABILITY:</u>	\$2,000,000 occurrence
C.	<u>PROFESSIONAL LIABILITY:</u>	\$2,000,000 occurrence
D.	<u>WORKERS' COMPENSATION:</u>	Statutory

ARTICLE VI - PROFESSIONAL LIABILITY

CLIENT AGREES THAT FM'S LIABILITY, AND THAT OF ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS AND SUBCONTRACTORS, TO CLIENT OR ANY THIRD PARTY DUE TO ANY NEGLIGENT PROFESSIONAL ACTS, ERRORS OR OMISSIONS OR BREACH OF CONTRACT BY FM WILL BE LIMITED TO AN AGGREGATE OF \$50,000 OR FM'S TOTAL CHARGES, WHICHEVER IS GREATER. IF CLIENT PREFERS TO HAVE HIGHER LIMITS OF PROFESSIONAL LIABILITY, FM AGREES TO INCREASE THE AGGREGATE LIMIT, UP TO A MAXIMUM OF \$1,000,000, UPON CLIENT'S WRITTEN REQUEST AT THE TIME OF ACCEPTING OUR PROPOSAL, PROVIDED CLIENT AGREES TO PAY AN ADDITIONAL CONSIDERATION OF TEN PERCENT OF FM'S TOTAL CHARGES, OR \$500, WHICHEVER IS GREATER. THE ADDITIONAL CHARGE FOR THE HIGHER LIABILITY LIMIT IS BECAUSE OF THE GREATER RISK ASSUMED BY FM AND IS NOT A CHARGE FOR ADDITIONAL PROFESSIONAL LIABILITY INSURANCE. THIS LIMITATION SHALL NOT APPLY TO THE EXTENT PROHIBITED BY LAW.

ARTICLE VII - SITE OPERATIONS

Client will arrange for right-of-entry to the property for the purpose of performing project management, studies, tests and evaluations pursuant to the agreed services. Client represents that it possesses necessary permits and licenses required for its activities at the site. FM's field personnel are trained to initiate field testing and/or sampling within a reasonable distance of each designated location. FM's field personnel will avoid hazards or utilities that are visible to them at the site. If FM is advised in writing of the presence or potential presence of underground or above ground obstructions, such as utilities, we will give special instructions to our field personnel. FM is not responsible for any damage or loss due to undisclosed or unknown surface or subsurface conditions owned by Client or third parties, except to the extent such damage or loss is a result of FM's negligence.

FM will take reasonable precautions to minimize damage to the property caused by our operations. Unless otherwise stated in FM's proposal, our charges do not include cost of restoration due to any related damage that may result. If Client requests FM to repair such damage, we will do so at an appropriate additional cost.

Field tests or boring locations described in FM's report or shown on sketches are based on specific information furnished by others or estimates made in the field by our personnel. Such dimensions, depths or elevations should be considered as approximations unless otherwise stated in our proposal or report.

ARTICLE VIII - FIELD REPRESENTATIVE

The presence of FM's or its subcontractor's field personnel, either full-time or part-time, may be for the purpose of providing project administration, assessment, observation and/or field testing of specific aspects of the project as authorized by Client. Should a contractor(s) not retained by FM be involved in the project, Client will advise such contractor(s) that FM's services do not include supervision or direction of the means, methods or actual work of the contractor(s), his employees or agents. Client will also inform contractor that the presence of FM's field representative for project administration, assessment, observation or testing will not relieve the contractor of its responsibilities for performing the work in accordance with the plans and specifications.

If a contractor (not a subcontractor of FM) is involved in the project, Client agrees, in accordance with generally accepted construction practices, that the contractor will be solely and completely responsible for working conditions on the job site, including security and safety of all persons and property during performance of the work, and compliance with all Client safety requirements and OSHA regulations. These requirements will apply continuously and will not be limited to normal working hours. It is agreed that FM will not be responsible for job or site safety or security on the project, other than for FM's employees and subcontractors, and that FM does not have the duty or right to stop the work of the contractor.

ARTICLE IX - UNFORESEEN CONDITIONS OR OCCURRENCES

It is possible that unforeseen conditions or occurrences may be encountered at the site that could substantially alter the necessary services or the risks involved in completing FM's services. If this occurs, FM will promptly notify and consult with Client, but will act based on FM's sole judgment where risk to FM personnel is involved. Possible actions could include:

- A. Complete the original Scope of Services in accordance with the procedures originally intended in our Proposal, if practicable in FM's judgment;
- B. Agree with Client to modify the Scope of Services and the estimate of charges to include study of the unforeseen conditions or occurrences, with such revision agreed to in writing;
- C. Terminate the services effective on the date specified by FM in writing.

ARTICLE X - SAMPLE DISPOSAL

Test specimens or samples generally are consumed or substantially altered during testing and any remnants are disposed of immediately upon completion of tests.

In the event that test samples contain toxic or hazardous constituents as defined by applicable law, upon completion of any testing and temporary storage by FM and per Client's stated preference, FM will: 1) return such samples to Client for proper disposal; 2) using a manifest signed by Client as generator and at additional cost, have such samples transported to a location selected by Client for proper final disposal; or 3) at an additional charge per sample, dispose of such samples at a properly licensed disposal facility. Client agrees to pay all costs associated with the storage, transport, and disposal of such samples. Client recognizes and agrees that FM is acting as an agent and at no time assumes title to said materials.

ARTICLE XI DOCUMENTS

Neither the professional activities of the FM GROUP INC, nor the presence of the FM GROUP INC or FM GROUP INC's employees and subconsultants at a construction site, shall relieve the General Contractor and any other entity of their obligations, duties, and responsibilities including, but not limited to, construction means, methods, sequences, techniques, or procedures necessary for performing, superintending, or coordinating all portions of the work of construction in accordance with the contract documents and any health or safety precautions required by any regulatory agencies. The FM GROUP INC and FM GROUP INC's personnel have no authority to exercise any control over any construction contractor or other entity or their employees in connection with their work or any health or safety precautions. The Client agrees

that the General Contractor is solely responsible for jobsite safety and warrants that this intent shall be made evident in the CLIENT's agreement with the General Contractor. The FM GROUP INC and the FM GROUP INC's consultants shall be indemnified and shall be made additional insured under the General Contractor's general liability insurance policy

ARTICLE XII - DOCUMENTS

FM will furnish Client the agreed upon number of written reports and supporting documents. These instruments of services are furnished for Client's exclusive internal use and reliance, use of Client's counsel, use of Client's qualified bidders (design services only) and for regulatory submittal in connection with the project or services provided for in this Agreement, but not for advertising or other type of distribution, and are subject to the following:

- A. All documents generated by FM under this Agreement shall remain the sole property of FM. Any unauthorized use or distribution of FM GROUP's work shall be at Client's and recipient's sole risk and without liability of FM. FM may retain a confidential file copy of its work product and related documents.
- B. If Client desires to release, or for FM to provide, our report(s) to a third party not described above for that party's reliance, FM will agree to such release provided we receive written acceptance from such third party to be bound by acceptable terms and conditions similar to this Agreement (e.g. Secondary Client Agreement). Reports provided for disclosure of information only will not require separate agreement. Client acknowledges and agrees to inform such third party that FM's report(s) reflects conditions only at the time of the study and may not reflect conditions at a later time. Client further acknowledges that such request for release creates a potential conflict of interest for FM and by this request Client waives any such claim if FM complies with the request.
- C. Client agrees that all documents furnished to Client or Client's agents or designees, if not paid for, will be returned upon demand and will not be used by Client or any other entity for any purpose whatsoever. Client further agrees that documents produced by FM pursuant to this Agreement will not be used for any project not expressly provided for in this Agreement without FM's prior written approval.
- D. Client shall furnish documents or information reasonably within Client's control and deemed necessary by FM for proper performance of our services. FM may rely upon Client-provided documents in performing the services required under this Agreement; however, FM assumes no responsibility or liability for their accuracy. Client provided documents will remain the property of Client, but FM may retain one confidential file copy as needed to support our report.
- E. Upon Client's request, FM's work product may be provided on magnetic media. By such request, Client agrees that the written copy retained by FM in its files, with at least one conformed written copy provided to Client, shall be the official base document. FM makes no warranty or representation to Client that the magnetic copy is accurate or complete, but will correct in good faith any omissions or errors brought to FM's attention by client. Any modifications of such magnetic copy by Client shall be at Client's risk and without liability to FM. Such magnetic copy is subject to all other conditions of this Agreement.

ARTICLE XIII - CLAIMS

The parties agree to attempt to resolve any dispute without resorting to litigation, including use of mediation, prior to filing of any suit. However, in the event a claim results in litigation, and the claimant does not prevail at trial, then the claimant shall pay all costs incurred in pursuing and defending the claim, including reasonable attorney's fees.

ARTICLE XIV - OPINIONS OF COST

If requested, FM will use its best efforts and experience on similar projects to provide realistic opinions or estimates of costs for remediation or construction as appropriate based on reasonably available data, FM's designs or FM's recommendations. However, such opinions are intended primarily to provide information on the order of magnitude or scale of such costs, and are not intended for use in firm budgeting or negotiation unless specifically agreed otherwise in writing with FM. Client understands actual costs of such work depend heavily on regional economics, local construction practices, material availability, site conditions, weather conditions, contractor skills, and many other factors beyond FM's control.

ARTICLE XV - TESTIMONY

Should FM or any FM employee be compelled by law to provide testimony or other evidence by any party, whether at deposition, hearing or trial, in relation to services provided under this Agreement, and FM is not a party in the dispute, then FM shall be compensated by Client for the associated reasonable expenses and labor for FM's preparations and testimony at appropriate unit rates. To the extent the party compelling the testimony ultimately provides FM such compensation, Client will receive a credit or refund on any related double payments to FM.

ARTICLE XVI - CONFIDENTIALITY

FM will maintain as confidential any documents or information provided by Client and will not release, distribute or publish same to any third party without prior permission from Client, unless compelled by law or order of a court or regulatory body of competent jurisdiction. Such release will occur only after prior notice to Client.

ARTICLE XVII - GOVERNING LAW

This Agreement shall be governed in all respects by the laws of the state of the project site.

ARTICLE XVIII - PRIORITY OVER FORM AGREEMENTS/PURCHASE ORDERS

The Parties agree that the provisions of these Terms and Conditions shall control over and govern as to any form writings signed by the Parties, such as Client Purchase Orders, Work Orders, etc., and that such forms may be issued by Client to FM as a matter of convenience to the Parties without altering any of the terms or provisions hereof.

ARTICLE XIX - SURVIVAL

All provisions of this Agreement for indemnity or allocation of responsibility or liability between Client and FM shall survive the completion of the services and the termination of this Agreement.

ARTICLE XX - SEVERABILITY

In the event that any provision of this Agreement is found to be unenforceable under law, the remaining provisions shall continue to full force and effect.

ARTICLE XXI - ASSIGNMENT

This Agreement may not be assigned by either party without the prior permission of the other.

ARTICLE XXII - INTEGRATION

This Agreement, the attached documents and those incorporated herein constitute the entire Agreement between the parties and cannot be changed except by a written instrument signed by both parties.

END OF DOCUMENT

G:\Shared Files\FM GROUP\CONTRACT\Terms & Conditions.doc\FM MST.doc

Attachment "A" by mention is made a binding part of this agreement as set forth herein.

ATTACHMENT "A"

Anti-Terrorism Warranty: Pursuant to **A.R.S. §35-393.06(B) and 35-391.06(A)** the Contractor certifies that it does not have scrutinized business operations in Iran or Sudan and that they are in compliance with the Export Administration Act and not on the Excluded Parties List.

Legal Arizona Workers Act Compliance: Firm hereby warrants that it will at all times during the term of this Contract comply with all federal immigration laws applicable to Firm's employment of its employees, and with the requirements of A.R.S. § 23-214 (A) (together the "State and Federal Immigration Laws"). Firm shall further ensure that each subcontractor who performs any work for Firm under this contract likewise complies with the State and Federal Immigration Laws.

County shall have the right at any time to inspect the books and records of Firm and any subcontractor in order to verify such party's compliance with the State and Federal Immigration Laws.

Any breach of Firm's or any subcontractor's warranty of compliance with the State and Federal Immigration Laws, or of any other provision of this section, shall be deemed to be a material breach of this Contract subjecting Firm to penalties up to and including suspension or termination of this Contract. If the breach is by a subcontractor, and the subcontract is suspended or terminated as a result, Firm shall be required to take such steps as may be necessary to either self-perform the services that would have been provided under the subcontract or retain a replacement subcontractor as soon as possible so as not to delay project completion.

Firm shall advise each subcontractor of County's rights, and the subcontractor's obligations, under this Article by including a provision in each subcontract substantially in the following form: "Subcontractor hereby warrants that it will at all times during the term of this contract comply with all federal immigration laws applicable to Subcontractor's employees, and with the requirements of A.R.S. § 23-214 (A). Subcontractor further agrees that County may inspect the Subcontractor's books and records to insure that Subcontractor is in compliance with these requirements. Any breach of this paragraph by Subcontractor will be deemed to be a material breach of this contract subjecting Subcontractor to penalties up to and including suspension or termination of this contract."

Cancellation: This agreement is subject to the cancellation pursuant of A.R.S. §38.511.