



CORRESPONDENCE

8 October 2010

Mike Connolly
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Christchurch

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Dear Mike

FORSYTH BARR - DETAILED SEISMIC ASSESSMENT - FEE PROPOSAL

Internet Address

We are pleased to provide you with a fee proposal for the structural engineering services associated with this project.

www.holmesgroup.com

The project is the post-earthquake review for the Forsyth Barr Tower in Kilmore Street. The building is currently occupied and has been green-tagged, but a detailed assessment is required to identify any possible earthquake damage for insurance and remediation.

Level 5

123 Victoria Street

The scope of our review is generally as follows:

PO Box 25355

Stage 1

Christchurch 8144

1. To complete a preliminary structural survey of the building to identify the general form and location of earthquake damage.
2. To complete a review of available documentation of the building to identify potential 'hot-spots' for more detailed investigation.
3. To coordinate with a contractor or maintenance staff to expose key details as required and/or commission testing if required for key elements.
4. To make an assessment of any strength reduction due to the damage and if applicable, to estimate the remaining available strength of the building in terms of Full Code Loading (%FCL), in order to establish compliance with the CCC EPB policy, and to enable an informed decision to be made regarding future reuse.

New Zealand

Offices in

Auckland

Hamilton

Wellington

Queenstown

Stage 2 (if applicable)

San Francisco

5. To prepare remedial details and sketches for pricing.



Stage 3 (if applicable)

6. Prepare construction documentation for the repair work and obtain necessary consents. This may be a staged process, subject to tenancy matters.

Stage 4

7. Provide construction monitoring services as work is implemented and final provision of a PS-4 on completion.

Proposal Basis

Our proposal is based on our previous knowledge of the building and our discussion as to the general scope of work.

We understand the timetable for Stage 1 of this work to be 'as soon as possible'.

Subsequent Stages of the work will be undertaken according to the outcomes of Stage 1, and future timing will be subject to negotiations with insurers and tenancy matters.

Scope of Work

We have allowed for the following scope of work:

- Complete our review as outlined above.
- Prepare calculations, drawings and specification in sufficient detail to gain a Building Consent and for tendering purposes.
- Provide construction drawings and specification in sufficient detail to ensure smooth and timely completion of the construction phase.
- Advise on aspects of tenders and suitability of proprietary components offered as relevant to our role in the project.
- Carry out construction monitoring to CM3 level as per the ACENZ "Guideline on the Briefing and Engagement of Consulting Engineering Services" dated January 2004.
- Respond to and resolve any queries relating to our services that arise during the project construction.
- Provide a Producer Statement – Design (PS1).
- Provide a Producer Statement – Construction Review (PS4).



Fees

We propose initially that we work on a time and materials basis using the hourly rates given in our conditions below. As the work proceeds, we may be able to furnish fixed fees for the later stages of the project. This can be confirmed on completion of Stage 1.

For your planning purposes, our preliminary estimates of the costs of each stage are as follows (excl GST):

Stage 1	\$15,000.00
Stage 2 (assuming required)	\$5,000.00
Stage 3 (assuming required)	\$7,500.00
Stage 4 (assuming required)	\$7,500.00
Total	\$35,000.00

In addition, we note that other sub-consultants may be required to investigate fire systems and mechanical and electrical services. We will assess this need when commissioned, but recommend a further allowance of \$5,000 is included with the above. We assume that your lift service provider will complete a detailed inspection of the lift and shaft, including alignment of the rails.

Conditions of our Offer

- All fees and hourly rates are GST exclusive.
- We have allowed to provide up to 6 sets of the documentation at each of the major issue stages. Additional sets beyond this number will be charged for at \$4.00 per A1 copy.
- Our Professional Indemnity and Public Liability insurances are both for NZ\$0.5 million respectively and we limit our liability to these amounts and work we document.
- This offer is valid until 30 November 2010 beyond which we may wish to re-negotiate this offer.
- Waterproofing, site survey, structure associated with landscaping and geotechnical work are not included as part of our offer of services, but we would be pleased to assist in the briefing and engagement of these disciplines if required.
- Hourly rates applicable to changes in scope of services:



Project Director	\$250/hr
Project Analyst	\$200/hr
Senior Project Engineer	\$175/hr
Project Engineer	\$150/hr
Design Engineer	\$125/hr
Project Draughtsperson	\$125/hr
Draughtsperson	\$100/hr

- Our preference would be to negotiate mini lump sums to carry out any alterations to our scope of services.
- Our general conditions of engagement shall be in accordance with the standard ACENZ/IPENZ/ALGENZ/TRANSIT “Conditions of Contract for Consultancy Services”, August 2009 version. If you are not familiar with these conditions of contract they can be viewed on the ACENZ website (www.acenz.org.nz) or contact this office and we will send you a copy of them.
- If our scope of services alters, or our design services become protracted due to forces outside our control, or if construction has not started by March 2011, we reserve the right to re-negotiate our fees.
- A Producer Statement – Construction Review (PS4) will be supplied where required as a condition of the Building Consent, and we have been engaged to carry out construction monitoring, provided that the Contractor has supplied a full Producer Statement – Construction (PS3). You or your representative is responsible for notifying us when work commences on site.

We trust that this proposal meets with your approval. Please sign below and return fax to 03 379 2169 or email to johnh@holmesgroup.com as acceptance of this proposal.

Yours sincerely

Accepted:

John Hare

DIRECTOR

Date: