

HOEL ENGINEERING GROUP - CLIENT SERVICES INFORMATION

The following document provides our clients with information that they may find helpful in understanding the development of their project.

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1.0 WHAT YOU NEED BEFORE YOU VISIT US

Before we quote or start a project, it is best that we get as much information as possible from the Client and others involved in the project.

The more accurate and specific such information is, the better it would be for us to provide high quality service for our clients.

In order to get the most out of your first meeting with us, we suggest the following:

- a) Provide all relevant information or data pertinent to the project that may be available. In other words, collect as much information as possible from those connected with the project. This includes information collected from governing agencies and other consultants.
- b) Along with the project information, you need to instruct us fully, preferably in writing, of your project requirements. Basically, what exactly is required, and what would you like us to handle for you? Also, tell us your preferred project schedule.
- c) Make sure that the information is the most current and up-to-date, because we would rely on the accuracy and completeness of the information and data that you provide;

Note that any errors or omissions contained in the information may increase project costs, and compromise quality and client satisfaction.

2.0 THINGS TO KNOW IF YOU DECIDE TO HIRE US

We work very hard provide services to our client that are equal to or surpass our competitors' level of service.

Hoel Engineering Group employs both senior professional engineers and junior engineering staff on client engineering projects. Unless otherwise specifically requested by the Client or by the regulatory agencies having jurisdiction, engineering staff under the review of a professional engineer may carry out work. Direct involvement of a Professional Engineer is provided where specified.

Except where included in our fee proposal, the client normally applies for and coordinates the required approvals, licenses, and permits from government or other authorities having jurisdictions over the Project.

Other than as specified in our fee proposals, the client would be responsible for the required land and construction survey contracts for the Project.

By retaining our services you would be authorizing us to act as your agent for such purposes as are necessary to us rendering our Services.

3.0 USING INFORMATION OR SERVICES WE PROVIDE

Information or services we provide would be prepared for a specific site, design objective, development, and purpose that is described to us by the Client, and as supported by information obtained or supplied. The applicability and reliability of our work would only be valid to the extent that there are no alterations, or variations made on any of the descriptions or supporting information provided to us.

The information or services we provide would be for the sole benefit of the Client. Such information or services cannot be used or relied upon by others without fully understanding the full scope of the work.

The content of any information provided remains our copyright property. We would authorize the client and approved users to make copies of the information, and only in such quantities as are reasonably necessary for the use of the information by those parties.

We would not allow the client or approved users to give, lend, sell, or otherwise make available any information, to any party without our written permission.

4.0 INTERPRETING INFORMATION OR SERVICES PROVIDED

Unless otherwise considered in the fee proposal, the detail that would be provided in our plans, designs, or specifications would be intended to indicate the general arrangement of work to be carried out. As a project progresses, the degree of detail that would be provided may require additions or deletions.

Topographic surveys would be a collection of points surveyed at a project site. The mapping of those points into contours or other features would be interpreted from the available data. As such, it must be understood that any transitions from one zone to another that may be indicated on a plan as a distinct line, would have been based on interpolated data, and may vary.

5.0 BEING AWARE OF VARIABLE SITE CONDITIONS

Surface and groundwater conditions do vary, and are affected by annual, seasonal, and special weather conditions, or by nearby bodies of water. Surface and groundwater conditions can also be altered by construction activity. It is important that the client be aware that these types of variations may exist, and that their effects should be considered.

Construction activities can alter or damage the surface and in-situ ground conditions. It is important that the client and contractors consider the influence of all anticipated construction activities on the physical and geologic environment, and the associated cost implications, before formulating and implementing construction plans and procedures. In this case a Geotechnical Engineer may be of assistance.

All those involved in construction activities should be instructed to observe site conditions. Wherever changes in a site occur after the preparation of plans or specifications, or conditions are observed which indicate results clearly incompatible with the design intent, the observing party should notify us immediately, so that we are able to coordinate the necessary corrective action.

Variable site conditions may result in variations to the engineering or construction costs.

6.0 WHAT ARE CONSTRUCTION SERVICES

Construction engineering services include: construction layout, review, and as-constructed (as-built) records. These services are often required on civil projects. Similarly, construction reviews and reports are required on structural projects. We are often requested to provide these services to clients.

Construction survey layout services are the only service that is provided for the contractors benefit. However, we firmly believe that construction layout is an important aspect of a projects' Quality Control. We always recommend Engineer-managed Construction Layout for that reason.

Construction review or reporting services are rendered for the client's benefit.

It is important to understand that the performance of any contractor would not be the engineer's responsibility. The contractor alone would be responsible for the quality and sufficiency of his work and for conducting his work in a safe manner.

7.0 WHEN WE PROVIDE PROFESSIONAL CERTIFICATIONS

It is important to understand that the engineer has sole professional discretion to make additions, deletions, or changes to information that bears his or her name. Any additions, deletions, or changes made by others that are not approved by the engineer are cause for non-certification of the work. Such non-certification may result in necessary extra costs to obtain certification. In such situations, we would not be responsible for such costs.

Only construction that we have seen and recorded during our review can be declared as reviewed, and comments made on the balance of the contractor's work are only assumptions, based upon our extrapolation.

By law, we are only able to provide certification of work that has been reviewed. Therefore, we are only able to provide professional certification of work to which Professional Engineering services have been rendered on the project, and to what has been reviewed.

8.0 OUR LIABILITY POLICY

Hoel Engineering Group is insured however, conditional to your acceptance of our information or services, the client will agree that any claim which he may have against us, in respect to our services, howsoever arising, would have to be initiated

within 12 months from the date of the information or services provided. Furthermore, no claim would exceed the cost of replacement of the work.

9.0 DISPUTE RESOLUTION

If a dispute were to arise, we would require that both parties meet with a mediator and attempt to resolve the dispute using structured, non-binding negotiations, without prejudice. If the parties could not settle the dispute within 30 days of mediation, the parties would resolve a dispute through arbitration.

10.0 INFLUENCES THAT ARE BEYOND OUR CONTROL

10.1 Differences in Interpretation of regulations

We always work to the best of our ability in the interpretation of bylaws, standards, and guidelines as they apply to a project. However, in some cases, the interpretation of bylaws, standards, and guidelines by a regulatory agency may differ from our interpretation. In such cases, we work diligently to resolve such differences in interpretation; however, clients must know that a regulatory agency ultimately has the final say.

The possible reasons for differences in interpretation are because:

Each regulatory agency has its own set of bylaws, and standards in each set of regulations.

Regulations are designed to suit each agency's own individual, jurisdictional, and political requirements, and are not always consistent.

Some agencies or districts have very restrictive regulation interpretation, and others are more liberal and open-minded. Some concepts or ideas, which are entirely approvable and feasible in one district, may be totally unacceptable in another. In some cases, results rely on the individual official's knowledge and comfort level, not necessarily on good engineering solutions.

Some officials follow an internal philosophy which is not comprehended or understood.

These situations sometimes result in necessary extra costs to comply with interpretations. In such situations, we would not be responsible for variable costs.

10.2 Differences in Interpretation of Pricing Trends

With project cost estimating, we interpret local contractor pricing trends as they apply to a project, to the best of our ability. However, our clients must be aware that the interpretation of pricing by any contractor may differ from our interpretation. Variation in pricing trends can occur for many reasons, for example: supply and demand, raw material costs, local economic variations and trends.

The variances resulting from the interpretation placed upon pricing by contractors would not be our responsibility.

10.3 External Costs

With each project there are likely to be additional consequential costs associated with the provision of outside utilities services. Such utilities as hydro, telephone, cable and gas usually need to provide services for a project. The fees and costs associated with these utilities are highly variable. The service providers commonly provide their schedule of fees late in the design phase and sometimes even as late as the construction phase. These costs are not normally covered in a contractors bid unless specifically requested.

A similar situation presents itself with Municipal, District or City Government fees for services, however their fees are normally provided at the time of development or design approval.

The Client should be aware of these potential added costs.

11.0 OUR BILLING AND COLLECTION POLICIES

11.1 Schedule of Fees

Our fees are based upon hourly rates as follows:

Civil Engineering Services	\$185/hr
Structural Engineering Services	\$195/hr
High Priority or Overtime Services	\$275/hr

11.2 Reimbursable Expenses

The following disbursements are not included our fees or hourly rates:

Vehicle travel at \$0.65 per kilometer;

The expense of long distance phone and fax charges;

The reproduction and delivery of information, drawings, specifications, and other documents necessary to the project;

Fees paid by us for securing approvals, permits, or licenses from regulatory agencies having jurisdiction over the project.

11.3 Taxes

Any applicable taxes are additional to our fees.

11.4 Invoicing

Normally we invoice short term projects (*generally less than 30 days duration*) on a progress draw basis as follows:

Full payment upon substantial completion of engineering services

We invoice extended term percentage or fixed fee projects with design and construction services on a draw basis generally as follows:

30% retainer on commencement of services;

35% on design completion;

25% on construction commencement;

10% on substantial completion of the project.

Where engineering services are provided on a time and materials (cost plus) basis, we invoice on a progress draw basis as follows:

A retainer upon commencement of services;

Monthly for balance of project.

11.5 Payment of Fees

Except where otherwise specified, we would require payment on delivery of services or documentation. Once a client has established a good credit history with us, we would accept payment on account, within 30 days.

Any accounts unpaid 30 days after presentation would bear interest at an annual rate of 24 percent, calculated and compounded monthly.

We would be willing to work with clients on alternative financial arrangements; however, any other alternative financial arrangements must be proposed by the client, in writing, and approved by us, prior to commencement of services.

We are set up to accept VISA and INTERAC card payments.

11.6 Disputed and Overdue Accounts

We give the client the opportunity to audit any "cost plus" account or invoice, by way of written notification to be received by us within ten working days of the date of the invoice. This process gives the client an opportunity to discuss and resolve any bona-fide account issues in a timely manner. Unless managed in this manner, after ten working days, the client would accept any account or invoice.

We expect that our clients would accept the costs associated with the collection of overdue accounts.

In the event that a client has accepted fees, and cannot resolve payment, we would reserve the right to register charges on a project to secure payment.