



Jaredian Design Group

Architects, Engineers and Construction Managers

5333 RAADETS CADE, SUITE 14, ST. THOMAS, U. S. VIRGIN ISLANDS 00802-6900 • POST OFFICE BOX 6218, ST. THOMAS, U. S. VIRGIN ISLANDS 00804-6218
TELEPHONE: [REDACTED] • FAX: [REDACTED] • E-MAIL: [REDACTED] • WEBSITE: www.jaredian.com

June 26, 2015

Jeffrey Epstein
Owner
Nautilus, Inc.
6100 Red Hook Quarter, Suite B3
St. Thomas, U. S. Virgin Islands 00802

Via E-mail: [REDACTED]

**RE: FEE PROPOSAL FOR ADDITIONAL DESIGN SERVICES FOR LITTLE ST. JAMES MAINTENANCE SHOP,
ST. JOHN, U. S. VIRGIN ISLANDS**

Dear Mr. Epstein,

The Jaredian Design Group is pleased to provide our proposal and recommendations to you for additional Design Services related to the work being performed by us on the Little St. James Maintenance Shop, Little St. James Cay, St. John, U. S. Virgin Islands. The additional work specifically, will be to assist you in the Bid Solicitation portion of the project in order to select a General Contractor to erect the three structures that will be built. Our proposal will also include increasing the amount of responsibility the Jaredian Design Group will have during the Construction Phase, to include weekly inspections, Submittal reviews, review of Contractor Pay Requests, and Contractor Closeout. These services will be in addition to the services already outlined in our executed contract for providing responses to the Request For Information (RFI).

Based upon discussions with your staff, it is your desire to establish a firm budget and Guaranteed Maximum Price (GMP) at this stage of the design. Generally, under the traditional Design, Bid and Construction Model, you would not be able to do that until all drawings and specifications are submitted. We would recommend you consider a Project Delivery Method, commonly known in the industry as Construction Management At Risk, or it has been recently referred to as Integrated Project Delivery Method. This method of project delivery is very common in the United States. The Jaredian Design Group has extensive experience utilizing this particular project delivery method, having used it successfully on the Lockhart Elementary School, Peace Corp. Elementary School, Bertha C. Boschulte Middle School, the Charlotte Kimelman Institute, and the VITEMA-St. Thomas Headquarters. Under this type of delivery type method, the Owner selects a Construction Management Contractor (CMC) before the design is completed to work with the Project Team in order to develop the overall project budget and to accelerate the construction schedule. The CMC can be hired as early as the Programming Phase. At the approximate sixty-five percent level of completion of the Final Design, the CMC is able to give a GMP to complete the construction. Prior the GMP being established, though, the CMC can start construction activities on the site such as civil, foundations, and the steel superstructure if desired. The competitive process is preserved by the CMC soliciting bids for every portion of the work. The CMC is also selected by a competitive process. The factors to consider in the selection of the CMC are qualifications, financial strength, experience, overhead costs, sub-contractor mark up, and professional fees.

In the case of your projects, our design Documents are almost at the level of being able to solicit the GMP right now. We need to add additional information on the foundation design so that each contractor can estimate that cost. Utilizing industry standards you can establish cost allowances for Mechanical and Electrical Systems that each proposer will have as a part of their GMP. As it is, the requirements of this type of process requires any of those cost allowances to be validated through providing at least three bids from sub-contractors. As all of your structures are in essence pre-engineered buildings, each of the contractors may reach out to those suppliers we have already solicited information from to get costs from them.

We have attached with this proposal a copy of the Request For Qualifications that was used by the Virgin Islands Public Finance Authority for VITEMA Headquarters. This document, as developed by Jaredian, was used to competitively select the successful contractor. At the time this document was released to proposers, the Jaredian Design Group had only just completed a Conceptual Floor Plan. As you review that document, you will note that it establishes the appropriate criteria to assist you in reviewing and selecting a Contractor for this project. We would tailor it to this particular project as some of the requirements by the Government not will be germane. There are four contractors, specifically; we will recommend you solicit proposals from. They are:

1. Bill "Willis" Simms
2. Balbo Construction Corp.
3. Apex Construction
4. Custom Builders

Each is very responsive and has experience with this type of project delivery method. In terms of responsiveness and cost, Willis Simms and Balbo Construction will be the most responsive and lowest in cost, particularly as it relates to the principal of the company being on site during construction.

We propose to perform these additional services for the following fee breakdown:

- **Proposal Fees –**
 - RFP/RFQ Bid Package \$10,000.00
 - Construction Phase Services \$32,500.00
(\$6,500 per month – 5-month duration)

Total Proposed Fees	\$42,500.00
----------------------------------	--------------------

ACCEPTANCE OF SERVICES – To serve as acceptance of this proposal and written authorization to proceed, you may sign and return the enclosed copy of this letter.

The costs included in this proposal are valid for thirty (30) days from the date of submittal. If the contract is accepted after said period, Jaredian Design Group reserves the right to review and retain or modify the figures stated herein in order to appropriately reflect changing costs and salaries and similar economic consideration.

This document shall represent our total agreement and supersedes all prior representations. Any amendments shall be in writing and signed by Nautilus, Inc. Our understanding shall be construed under the laws of the Territory of the U. S. Virgin Islands

We thank you for your consideration of the Jaredian Design Group for this project, and we look forward to working with you. Please feel free to call on me at 777-1600.

Very truly yours,

JAREDIAN DESIGN GROUP



John P. Woods, AIA, NCARB
Principal

Encl.: JDG's Standard Terms and Conditions

Cc: Cecile deJongh, Business Manager, Southern Financial Trust
LeRoy V. Smith, Jr., PE, Principal, Jaredian Design Group

**ACCEPTANCE OF FEE PROPOSAL FOR ADDITIONAL DESIGN SERVICES FOR LITTLE ST. JAMES
MAINTENANCE SHOP, ST. JOHN, U. S. VIRGIN ISLANDS:**

Name (Please Print)

Signature

Title (Please Print)

Date