

SHELBY ENGINEERING
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Attachment to BLR 05610: Preliminary Engineering Services Agreement:

Background Information:

Shelby Engineering is a local partnership formed in 1999 between two individuals (Keith Petard and Alan Spesard). The partnership was formed with the intent to provide needed and affordable engineering services to local agencies in Shelby County. Shelby Engineering's primary client is the City of Shelbyville (nearly 90%) with the remaining work load consisting of Motor Fuel Tax maintenance programs for several villages and cities in Shelby County. Shelby Engineering hires technicians (Chad Petard, Cam Spesard, Mike Lorton, Brandon Zimmerman; Trevor Pruemer; CJ Hayes and others) on an as needed basis. Shelby Engineering has agreed to write grants for the City of Shelbyville at no cost – for example, Shelby Engineering helped with the grant preparation for this project (i.e. ITEP -Streetscape).

Explanation for “Shelby Engineering” Cost Estimate (Exhibit A):

- The billing rates to local agencies are as follows:
 - Sr. Engineer = Alan Spesard (payroll rate @ 60% = \$39.00/hour; profit @ 40%)
 - Sr. Technician = Keith Petard (payroll rate @ 60% = \$30.00/hour; profit @ 40%)
 - *Technician = Chad Petard & Cam Spesard (payroll @ 60% = \$18.00/hour; profit @ 40%)
 - *Other Technicians = payroll @ 60% = \$12.00 and \$15.00; profit @ 40%

- There currently is very little overhead, indirect cost or In-House Direct Costs (except for supplies) charged to the client due to the following reasons:
 - The office is used free of charge and thus no applicable costs are “passed on” to the client.
 - The Technicians are “independent contractors” and are responsible for their own fringes, benefits and insurance costs and thus are not “passed on” to the client.
 - The administration of the partnership, partnership taxes, insurance and miscellaneous business expenses are provided at no additional cost to the client for this project. Supplies that are billed can include such items as survey/field material items and equipment rental/expense.
 - All profits are distributed to the two partners by way of the billing rates explained above and as shown in Exhibit A.

- Shelby Engineering has been selected by the City of Shelbyville to provide engineering services for previously designed road, storm sewer, water line and seven previously approved federally funded projects. These projects are similar to this project (expected engineering costs have been discussed and agreed to by the client).

- The preliminary engineering will be accomplished in accordance with IDOT policies and procedures for Federal funded projects.

Date: 04-06-2013