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December 3, 2021

Philip Smith, District CEO Tulare Local Healthcare District Tulare Regional Medical Center 869 N. Cherry St. Tulare, CA 93274

Subject: Proposal for Extending Interim Part-Time Project Management & OSHPD IOR

Services

Dear Mr. Smith:

Vanir is pleased to submit our fee proposal to extend our interim and part-time senior level project management and OSHPD inspector of record (IOR) personnel for the Tulare Local Healthcare District Tower 1 project.

Based on our 11/30/21 discussion with you, Sandra Ormonde (former Tulare LHD CEO), Roy Magdaleno (Vanir Project Director) and myself; we have allotted a maximum of 10 hours per week, or approximately 40 hours per month, to extend part-time project management services starting January 1, 2022 through December 31, 2022. It is understood the District may want to terminate Vanir's services at any time with a minimum one (1) month written notification.

Vanir's 2022 labor rate for Roy is \$200/hour, but we'll furnish Roy for this interim/part-time opportunity at our senior project manager rate of \$185/hour. At 40 hours per month, for twelve (12) months, plus reimbursables for travel, meals, printing, and incidentals; Vanir's fee is \$90,000.00 on the above-mentioned project. We will bill this project on a Lump Sum not-to-exceed, Time and Material basis.

Vanir's 2022 labor rate for an OSHPD Class A Inspector of Record is \$130/hour with a four (4) hour minimum per site visit. At 40 hours per month, for twelve (12) months, plus reimbursables for travel, meals, printing, and incidentals; Vanir's fee is \$65,000.00 on the above-mentioned project.

Total cost to extend Vanir's project management and OSPHD IOR services for one (1) year is \$155,000.00. We look forward to continuing to serve you and the District on this much needed and important project for the community. If you have any questions, please call me on my cell phone @ (559) 805-5393.

Sincerely,

Vanir Construction Management, Inc.

Jerry Avalos, CCM, EIT, LEED® AP Vice President / Area Manager



Cc: Steve Whitehead, President, Vanir CM Michelle Parker, BD Manager, Vanir CM