This is **EXHIBIT C**, consisting of 5 pages, referred to in and part of the

**Agreement between Owner and Engineer for Professional Services,** dated      .

 **Payments to Engineer for Services and Reimbursable Expenses**

Article 2 of the Agreement is amended and supplemented to include the following agreement of the parties:

**ARTICLE 2 – OWNER’S RESPONSIBILITIES**

***C2.01 Compensation for Engineering Services (other than Resident Project Representative Services)***

* + - 1. Owner shall pay Engineer for all services set forth in Exhibit A, except for services of Engineer’s Resident Project Representative, if any, as follows:
				1. For Study and Report Phase Services performed or furnished under paragraph **A1.01**, a lump sum in the amount of       Dollars ($      ) after the Study and Report Phase Services are considered complete as defined in Exhibit A. The ENGINEER will provide a listing of hours worked and rates charged that make up the basis of the lump sum, if requested by the OWNER or funding Agency.
				2. For Basic Services performed or furnished under paragraphs **A1.02** through **A1.06**, except for the services of the Resident Project Representative, shall be payable as follows *(circle (a) or (b) below and strike the other one)*:

Compensation for Basic Services shall be based upon the following percentages of construction cost fee schedule:

Cost of Construction Design Fee

Less than $100,000 Per Diem or Cost-Plus Fee

|  |  |  |
| --- | --- | --- |
| First | 100,000 | **16.0%** |
| Next | **400,000** | **13.0%** |
| Next | **500,000** | **11.0%** |
| Next |  **1,000,000** | **10.0%** |
| Next |  **1,500,000** | **9.0%** |
| Next | **1,500,000** | **8.0%** |
| Next | **3,000,000** | **7.0%** |
| Next | **4,000,000** |  **7.0%** |

For Basic Engineering Services, the amount of compensation is estimated to be       Dollars ($      ).

When the Project involves more than one Construction Contract, the estimated amount of compensation shall be increased by 5% for the second contract, and 3% for each additional contract. Amount of compensation will be adjusted accordingly after award of the Construction Contracts.

**OR:**

1. A lump sum equal to       Dollars ($      ). The ENGINEER will provide a listing of hours worked and rates charged that make up the basis of the lump sum, if requested by the OWNER or funding Agency. The Lump Sum amount shall not exceed the estimated amount of compensation as calculated in
	1. above by more than 5%.

3. The compensation for services performed or furnished under paragraph **A1.02** through **A1.06** shall be payable in accordance with Article 4.02 of the Agreement as follows:

1. A sum which equals 30 percent of the compensation payable under paragraph **C2.01.A.2.**, above, after the Preliminary Design Phase documents are revised and submitted to Owner (and Agency, if required).
2. A sum which, together with the compensation provided under paragraph **C2.01.A.3.a.**, equals 50 percent of the compensation payable under paragraph **C2.01.A.2.**, after the Final Design Phase documents are completed and submitted to Owner and Agency.
3. A sum which, together with the compensation provided under paragraphs **C2.01.A.3.a.** and b equals 70 percent of the compensation payable under paragraph **C2.01.A.2.**, after Final Design Phase services are considered complete as defined in Exhibit A.
4. A sum which, together with the compensation provided in paragraphs **C2.01.A.3.a., b., and c.**, equals 80 percent of the compensation payable under paragraph **C2.01.A.2.**, after Bidding or Negotiating Phase services are considered complete as defined in Exhibit A.
5. A sum equal to 15 percent of the compensation payable under paragraph **C2.01.A.2.** will be paid for general engineering review of the Contractor's Work during the construction period on percentage ratios identical to those approved by the Engineer as a basis upon which to make partial payments to the Contractor(s). Payments will be made on a monthly basis. However, payment under this paragraph will be in an amount such that the aggregate of the sums paid to the Engineer under paragraphs **C2.01.A.3.a.** through **C2.01.A.3.e.** will equal 95 percent of the amount stipulated in paragraph **C2.01.A.2**.
6. A final payment which, together with the compensation provided in paragraphs **C2.01.A.3.a.** through **C2.01.A.3.e.**, equals 100 percent of the compensation payable under paragraph **C2.01.A.2** shall be made when it is determined that all services required under paragraphs **A1.02** through **A1.05** have been completed. Such payment includes payment for Post-Construction Phase services under paragraph

**A1.06** Engineer remains responsible to Owner for the technical adequacy and completeness of such services.

4. The amount paid to ENGINEER includes compensation for Engineer’s services and services of Engineer’s Consultants, if any. Appropriate amounts have been incorporated to account for labor, overhead, profit, and Reimbursable Expenses.

1. *Period of Service.* The compensation amount stipulated in paragraph **C2.01.A.2.** is conditioned on a period of service not exceeding       months. Should such period of service be extended, the compensation amount for Engineer's services shall be appropriately adjusted.
2. *Payments Upon Termination.* In the event of termination at any time during the performance of the services for which the ENGINEER’s compensation is the amount set forth in paragraph **C2.01.A.2.**, ENGINEER shall be paid through the Effective Date of Termination according to the portion of services rendered. Provisions of paragraph 6.06 of the Agreement shall apply in determining payment.
3. *Construction Cost Limit* If paragraph 5.02 of the Agreement is amended and supplemented by Exhibit F, ENGINEER shall so modify the Contract Documents there under without an increase compensation for services referenced in paragraph **C2.01**.

***C2.02*** *[Not Used]*

 ***C2.03*** *[Not Used]*

***C2.04 Compensation for Resident Project Representative Services***

* + - 1. OWNER shall pay ENGINEER for Resident Project Representative Services under paragraph **A1.05** (Construction Phase) as follows:

1. The total compensation for Resident Project Representative Services is predicated on the Contract Time not exceeding       months and is an amount equal to the cumulative hours (Direct Labor Cost) charged to the Project by each employee times a multiplier(\*) of       for all services performed on the Project. The total estimated compensation for Resident Project Representation Services is $      . The ENGINEER will provide a listing of hours worked and rates charged, if requested by the OWNER or funding Agency.

1. Compensation for Reimbursable Expenses
	1. For those Reimbursable Expenses that are not accounted for in the compensation for Basic Services under paragraph **C2.01**, and are directly related to the provision of Resident Project Representative Services, Owner shall pay Engineer at the rates set forth in Appendix 1 to this Exhibit C.
	2. Reimbursable Expenses include the following categories: transportation and subsistence incidental thereto; obtaining bids or proposals from Contractor(s); providing and maintaining field office facilities including furnishings and utilities; subsistence and transportation of Resident Project Representative and assistants; toll telephone calls and mobile phone charges; reproduction of reports, Drawings, Specifications, Bidding Documents, and similar Project-related items in addition to those required under Exhibit A, and, if authorized in advance by Owner, overtime work requiring higher than regular rates. In addition, if authorized in advance by Owner, Reimbursable Expenses will also include expenses incurred for computer time and the use of other highly specialized equipment.
	3. The amounts payable to Engineer for Reimbursable Expenses, if any, will be those internal expenses related to the Resident Project Representative Services that are actually incurred or allocated by Engineer, plus all invoiced external Reimbursable Expenses allocable to such services, the latter multiplied by a Factor of 1.05.
	4. The Reimbursable Expenses Schedule will be adjusted annually (as of       ) to reflect equitable changes in the compensation payable to Engineer.
2. Other Provisions Concerning Payment Under this Paragraph **C2.04**
	1. Whenever Engineer is entitled to compensation for the charges of Engineer’s Consultants, those charges shall be the amounts billed by Engineer’s Consultants to Engineer times a Factor of 1.05.
	2. Factors. The external Reimbursable Expenses and Engineer’s Consultant’s factors include Engineer’s overhead and profit associated with Engineer’s responsibility for the administration of such services and costs.
	3. Estimated Compensation Amounts
		1. Engineer’s estimate of the amounts that will become payable for specified services are only estimates for planning purposes, are not binding on the parties, and are not the minimum or maximum amounts payable to Engineer under the Agreement.
		2. Engineer is responsible for monitoring charges generated under this Agreement. When estimated compensation amounts have been stated herein and it subsequently becomes apparent to Engineer that a compensation amount thus estimated will be exceeded, Engineer shall give Owner written notice thereof. Promptly thereafter Owner and Engineer shall review the matter of services remaining to be performed and compensation for such services. Owner shall either agree to such compensation exceeding said estimated amount or Owner and Engineer shall agree to a reduction in the remaining services to be rendered by Engineer, so that total compensation for such services will not exceed said estimated amount when such services are completed.
	4. To the extent necessary to verify Engineer’s charges and upon Owner’s timely request, Engineer shall make copies of such records available to Owner at no cost.
		1. ***Compensation for Additional Services***
			1. OWNER shall pay ENGINEER for Additional Services, if any, as follows:
				1. The total compensation for Additional Services is an amount equal to the cumulative hours (Direct Labor Cost) charged to the Project by each employee times a multiplier(\*) of       for all services performed on the Project. The total compensation under this paragraph is estimated to be $      and this amount shall not be exceeded without written approval of Owner and concurrence of Agency. The Engineer will provide a listing of estimated manpower and services anticipated to be provided which make up the total compensation herein, if requested by the OWNER or funding Agency.
			2. Compensation for Reimbursable Expenses
				1. For those Reimbursable Expenses that are in addition to those accounted for in the compensation for Basic Services under paragraph **C2.01** and are directly related to the provision of Additional Services, Owner shall pay Engineer at the rates set forth in Appendix 1 to this Exhibit C.
				2. Reimbursable Expenses include the following categories: transportation and subsistence incidental thereto; obtaining bids or proposals from Contractor(s); providing and maintaining field office facilities including furnishings and utilities; toll telephone calls and mobile phone charges; reproduction of reports, Drawings, Specifications, Bidding Documents, and similar Project-related items in addition to those required under Exhibit A, and, if authorized in advance by Owner, overtime work requiring higher than regular rates. In addition, if authorized in advance by Owner, Reimbursable Expenses will also include expenses incurred for computer time and the use of other highly specialized equipment.
				3. The amounts payable to Engineer for Reimbursable Expenses, if any, will be the Additional Services-related internal expenses actually incurred or allocated by Engineer, plus all invoiced external Reimbursable Expenses allocable to such Additional Services.
				4. The Reimbursable Expenses Schedule will be adjusted annually (as of       ) to reflect equitable changes in the compensation payable to Engineer.
			3. Other Provisions Concerning Payment For Additional Services
				1. Whenever Engineer is entitled to compensation for the charges of Engineer’s Consultants, those charges shall be the amounts billed by Engineer’s Consultants to Engineer times a Factor of 1.05.
				2. Factors. The Engineer’s Consultant’s Factor includes Engineer’s overhead and profit associated with Engineer’s responsibility for the administration of such services and costs.
				3. To the extent necessary to verify Engineer’s charges and upon Owner’s timely request, Engineer shall make copies of such records available to Owner at cost.

(\*) Justification for the proposed multiplier to be used is required. Current IDOT multipliers are acceptable for this contract. Please provide a copy of the IDOT letter with submission of the ESA. If a current IDOT multiplier is not available, contact the RD State Engineer prior to executing this agreement.

This is **Appendix 1 to EXHIBIT C,** consisting of       pages, referred

to in and part of the **Agreement Between Owner and *ENGINEER* for Professional Services** dated       .

 **Reimbursable Expenses Schedule**

Current agreements for engineering services stipulate that the Reimbursable Expenses are subject to review and adjustment per Exhibit C. Reimbursable expenses for services performed on the date of the Agreement are:

Engineers - Please paste your reimbursable fees here.