



Vanir Construction Management, Inc.
340 East Palm Lane, Suite 330
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vanir.com

August 4, 2025

Phil Bourdon
Project Manager
Cochise County Procurement Department
1415 Melody Lane, Bldg. C
Bisbee, AZ 85603

Re: Vanir Owner's Representation Pre-Design Planning Fee Proposal | Cochise County Jail Project

Dear Mr. Bourdon,

Thank you for this opportunity to partner with Cochise County for the New County Jail Project.

Vanir structures its fees based on a thorough understanding of the project's scope of work (SOW) and timeline. We begin by developing a staffing plan tailored to the client's needs, then apply our standard hourly rates to calculate a cost not-to-exceed fee based on the required manpower.

For the New Cochise County Jail Project, our proposed not-to-exceed fee for Pre-Design Planning is \$385,196.00 which includes labor and reimbursable expenses. We have broken this out into Pre-Design Planning Pre-Election and Pre-Design Planning Post-Election. The estimated labor fee for Pre-Election is \$198,570.00 and the estimated fee for reimbursable expenses is \$35,981.00. The estimated labor fee for Post-Election is \$135,495.00 and the estimated fee for reimbursable expenses is \$15,150.00. The estimated hours are subject to change based on project scope, phasing, schedule, need, etc.

In addition, we have provided an estimate of our fees in the amount of \$3,600,498.00 for all other phases based on assumptions noted below to assist in future budgeting. The estimated labor fee is \$3,363,779.00 and the estimated fee for reimbursable expenses is \$236,719.00. The estimated hours are subject to change based on project scope, phasing, schedule, need, etc.

All reimbursable expenses will be billed at actual cost as incurred with a list of anticipated reimbursable expenses included below.



The following is a breakout of the proposed not-to-exceed fee per phase including labor and reimbursable expenses:

NOT-TO-EXCEED PROPOSAL BREAKOUT

PROPOSED NOT-TO-EXCEED FEE:	
Project Phase	Not-to-Exceed Fee
<u>Pre-Design</u>	
Pre-Design Planning - Pre-Election	\$ 198,570.00
Pre-Design Reimbursable - Pre-Election	\$ 35,981.00
TOTAL	\$ 234,551.00
Pre-Design Planning - Post-Election	\$ 135,495.00
Pre-Design Reimbursable - Post-Election	\$ 15,150.00
TOTAL	\$ 150,645.00
<u>Design</u>	
Design	\$ 1,354,157.00
Design Reimbursable	\$ 87,113.00
TOTAL	\$ 1,441,270.00
<u>Construction</u>	
Construction	\$ 1,813,116.00
Construction Reimbursable	\$ 143,925.00
TOTAL	\$ 1,957,041.00
<u>Commissioning/Closeout</u>	
Commissioning/Closeout	\$ 196,506.00
Commissioning/Closeout Reimbursable	\$ 5,681.00
TOTAL	\$ 202,187.00
Total Not-to-Exceed Fee	\$ 3,985,694.00

Since our proposal is a cost not-to-exceed fee, Cochise County (Owner) will be billed only for actual hours worked at the hourly rates listed below. Hourly rates are fully burdened and include direct salaries, mandatory costs, taxes, benefits, overhead, and profit, and are subject to an annual escalation. Our proposal is open to negotiation.



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HOURLY RATES

Labor Category	2025 Hourly Rate
Principal in Charge	\$225.00
Justice Advisor	\$225.00
Project Director	\$200.00
Project Manager	\$160.00
Sr. Scheduling Manager	\$195.00
Preconstruction Manager	\$175.00
Sr. Construction Manager	\$195.00
Sr. Cost Manager	\$195.00
Cost Estimator	\$140.00
Constructability Review	\$178.00
Document Controls	\$90.00
Project Safety	\$135.00
Administrative Assistant	\$90.00

ALLOWABLE REIMBURSABLE EXPENSES

During the Pre-construction Phase, it is anticipated that the Project Management team members will work offsite with travel to/from the project site and/or location of meetings, as needed with travel expenses to be reimbursed as noted above.

During the Construction Phase, it is anticipated that the Sr. Construction Manager will work onsite. The General Contractor selected for the project will provide office and workspaces, office supplies, document storage, and meeting areas to support on-site construction management following the preconstruction phase. These facilities will accommodate design reviews, stakeholder discussions, and other essential project activities.

The proposed and anticipated items allowable for reimbursement are as follows:

- Cost of project-specific equipment for on-site construction management, including computer, phone, printer, copy machine, and other furnishings and equipment required to perform job site responsibilities as approved by Owner in advance.
- Cost of per diem for Sr. Construction Manager to office onsite at \$2,500/month.
- Cost of office supplies, if required for on-site construction management as approved by Owner in advance.
- Cost of printing and distributing monthly reports.
- Cost of postage, UPS, Federal Express, etc.



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- Cost of transportation (airfare, lodging, mileage billed at the standard mileage rate set by the Internal Revenue Service, car rental / rideshare fees, meals incurred during travel). Employees officing onsite will not bill for mileage traveled to/from their residence to place of employment nor incur other travel expenses noted above.
- Cost of other items as required, with prior approval from Owner.

STATEMENT OF WORK

The Statement of Work outlines the scope, responsibilities, and is the basis of the cost structure for Vanir's services in managing the construction of the new jail for Cochise County. Our not-to-exceed fee encompasses all services detailed in the Scope of Services document titled, "Program | Project | Construction Management – Detailed Scope of Services". For any additional services or special project requests, we will invoice according to the hourly rates provided. Any changes to the scope or new work must be approved in writing before proceeding. Note that the scope is subject to change as the planning phases progress. All scope and associated fees of subsequent phases will be negotiated prior to commencement.

SCHEDULE

The pricing and terms in our Fee Proposal and Statement of Work are based on an estimated project timeline of 3 years and 6 months (estimated Vanir start date of Aug. 2025). The final timeline for this project will be dependent on the finalization of the full project scope as well as factors such as but not limited to approval timelines, permitting, environmental & archeological issues, delivery method, procurement of design and construction teams, weather, labor market/availability and material & equipment procurement timelines. We fully understand Cochise County's priority to expedite this project and our team is committed to leveraging our expertise and resources to actively support and facilitate this goal. By optimizing workflows, enhancing coordination, and ensuring efficient use of manpower, we will work aggressively to meet any compressed completion timelines. As the project duration is further defined, our fees will be adjusted accordingly to reflect the revised schedule and completion date.

PROPOSAL ASSUMPTIONS

The final Scope of Work is still being defined as such we have made several assumptions in our Pre-Design Planning Phase proposal and the remaining phases cost projections for future budgeting and estimating. These assumptions are as follows:

- Proposal is based on CMAR delivery method. Final delivery method will be decided and approved by Cochise County at a later date.



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- Proposal is based on the utilization of the adjacent site located next to the existing jail currently owned by County.
- Start date is subject to final board approval and contract execution.
- Proposal assumes Permitting time that is based on an average turnaround time. Actual time varies per County/Authority Having Jurisdiction (AHJ).
- Proposal assumes overlap of design and permitting utilizing multiple bid packages.
- Potential easement acquisition could increase timeline and is not factored into proposal cost.
- Proposal assumes construction timeline of 22 months. This could vary depending on delivery method, number of beds, number of bid packages/phases, building materials, labor market & availability, material & equipment procurement timelines, etc.
- Proposal assumes that Owner will manage Owner Furnished/Owner Installed FF&E, Activation and Move Management tasks.
- Proposal assumes that Owner will purchase Project Management Information System.

Please reach out to me should you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Mike Beaber".

Mike Beaber

Mike.Beaber@vanir.com

1 (209) 969-9063