



December 17, 2015

City of Key West
PO Box 1409
Key West, Florida 33041
Attn: Jim Scholl
City Manager

**RE: Peary Court Property Physical Needs Assessment
Key West, Florida**

Dear Jim:

Attached please find our proposal based upon your email of December 9, 2015. Also attached is a spreadsheet assigning staff time, consultant costs, and extraordinary expenses based upon our experience with similar studies. We propose to provide these services hourly.

Please do not hesitate to contact me should you have any questions. I look forward to working with you.

Very truly yours,
Saltz Michelson Architects, Inc.

A handwritten signature in blue ink, appearing to read "Mark L. Saltz", is positioned above the typed name.

Mark L. Saltz, AIA, LEED AP
Principal

MLS:lf
encl.

P15245



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Attn: Jim Scholl
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**RE: Peary Court Property Physical Needs Assessment
Key West, Florida**

The City of Key West is considering calling for a referendum to purchase the existing 157 units located at 541 While Street, commonly referred to as Peary Court. Saltz Michelson Architects (SMA) has been requested by the City of Key West to provide due diligence inspection services for these units as described below. The deliverables shall be in the form of a written report for presentation to the City Commission in February. The work as described shall be performed in the month of January 2016 and the report delivered to the City no later than February 1, 2016.

1. 157 Unit Visual Inspection and Report summarizing the findings to include:
 - a. Building Envelope- Doors, windows, walls will be inspected for water tight integrity. Roof integrity, based upon visual inspection of ceilings for leaks only. The exterior roofing surfaces will not be inspected.
 - b. Electrical Service and Distribution- Visual only (no inspection) of equipment inner workings.
 - c. HVAC System- Verification that the unit is in working order.
 - d. Plumbing Service and Distribution- verification that systems are in working order.
 - e. Interior Finishes- Condition to be noted.
 - f. Structural/Foundation
 - g. Site Improvements and Drainage
 - h. Termite Visual Inspection
 - i. Mold Visual Inspection
 - j. Construction Materials Moisture Levels if leaks are detected visually.

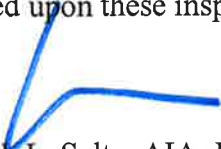
2. 16 Selected Unit Detailed Reports of representative units
 - a. Identify, quantify, and summarize Probable Cost of Construction Deficiencies for these units.
 - b. Identify any areas of concern for asbestos containing materials (ACM) based upon visual inspection only.

- c. Provide necessary documentation for submitting wind mitigation form for wind insurance. Provide signed and sealed wind migration forms for submittal to insurance underwriter if purchase of property is completed.

NOTE: Lead-based paints were banned in the United States by the Consumer Product Safety Commission on September 2, 1977. Based upon the construction date of this project, there should be no lead-based paints present. To verify if lead-based paints were present would require destructive testing by removing samples of the paint from the wall to send for laboratory testing.

3. Presentation of above findings to City Commission in February.

All services shall be performed by SMA and its architectural staff for our contracted hourly fees. Conditions identified that require the inspection of a professional engineer shall be performed by consultants on an as needed basis. These observations contained within the report are based upon the conditions encountered on the day the actual observation is performed. No guarantee or warranty is implied against future deficiencies based upon these inspections.



Mark L. Saltz, AIA, LEED AP
Principal

MLS:lf
Encl.

P15245

SALTZ MICHELSON ARCHITECTS
 PEARY COURT DUE DILIGENCE INVESTIGATION
 Revised DECEMBER 17, 2015

Task	Description	Principal \$285.00		SPM \$150.00		PM \$135.00		PA III \$125.00		Admin \$70.00		Consultant	Total
		Hours	Budget	Hours	Budget	Hours	Budget	Hours	Budget	Hours	Budget		
1	157 Unit Visual Inspections of unit interiors	4	1,140.00	160	24,000.00			118	14,750.00	40	2,800.00		\$ 42,690.00
	Building Envelopes 49 Buildings	1	285.00	74	11,100.00					25	1,750.00		13,135.00
	Electrical Exterior 49 Buildings	1	285.00	25	3,750.00					25	1,750.00		5,785.00
	HVAC Exterior 49 Buildings	1	285.00	25	3,750.00					25	1,750.00		5,785.00
	Site	2	570.00	4	600.00					25	1,750.00		2,920.00
2	Detailed Report 16 units	10	2,850.00	16	2,400.00					40	2,800.00		8,050.00
	Cost Estimate	4	1,140.00	4	600.00	60	8,100.00			10	700.00		10,540.00
3	Evaluation and Inspection of each building for Wind Mitigation Form for Wind Insurance	2	570.00	147	22,050.00					49	3,430.00		26,050.00
4	Presentation to City Commission (1 visit)	8	2,280.00	8	1,200.00								3,480.00
5	Summarize Inspections & Detailed Reports	16	4,560.00	20	3,000.00					12	840.00		8,400.00
		49	13,965.00	483	72,450.00	60	8,100.00	118	14,750.00	251	17,570.00		126,835.00

Contingencies:

Specialty Engineers to Review Specific Conditions

To be Determined \$ 10,000.00 \$ 10,000.00

~~Off Duty Police Escort~~

Key West Police * \$45/Hr \$ 24,885.00
(553 Hours)

Reimbursable Expenses

\$ 29,116.00

* Per 151218 CM Mtg - City to furnish Escort - TBD whether Internally or by Property Manager

Total Budget \$ 190,836.00

Rvsd Budget \$ 165,951.00

Reimbursable Expenses

Description	Units	Unit Cost	Employees	Total
Air Fare (round trips)	8	\$ 113.50	2	1,816.00
Lodging (room nights)	35	\$ 325.00	2	22,750.00
Meals (daily allowance)	35	\$ 40.00	2	2,800.00
Car Rental (days)	35	\$ 50.00	1	1,750.00
TOTAL				\$ 29,116.00