

18 July 2008

Our Ref: 211-2008

Trevor Dillon  
Strata Manager  
Macarthur Strata Pty Ltd  
P.O. Box 205  
Narellan NSW 2567  
(02) 4647 2400

Dear Trevor,

### **ASSESSMENT OF STP AT NANGARIN VINEYARD ESTATE**

Ecowise Environmental (Victoria) Pty Ltd would like to thank you for the opportunity to undertake an assessment of the sewage treatment plant at Nangarin Vineyard Estate at Picton NSW.

Initial phone conversations indicated that current maintenance procedures and frequency of visitations was inadequate for the optimum performance of the plant. Recent advice from a potential maintenance company indicated significant upgrade works are required to the existing STP and Macarthur Strata would like an independent assessment of the STP completed before further work is considered.

Ecowise have considerable experience in the design, certification and operation of small STP's as well as experience with much larger systems. Ecowise can provide analytical and maintenance services as well as the consulting services proposed in this quotation. Ecowise also provides engineering expertise for the design, supply and installation of industrial wastewater treatment plants, as well as completed design and construct projects.

### **SCOPE OF WORK**

The scope of work for the proposed project will include the following, but not limited to;

- Initial site visit to Nangarin Vineyard Estate STP to examine existing systems, observe operation and gather data and samples for testing in the laboratory.
- Compare current operation with the specifications outlined in the operational procedures document supplied by Macarthur Strata.
- Carry out an engineering assessment of the existing equipment and outline any upgrade required and supply cost estimates for the upgrade, including equipment, services and installation/commissioning costs.

- Preparation of report outlining any upgrade recommendations, cost estimates including an estimate for the Project Management of any potential upgrade.

## METHODOLOGY

The following is detail of the methodology to be used in completing the project:

1. The initial site visit will focus on assessing the operation of the STP and include reviewing any operational data, operational history, previous reports, chemical analysis data, check of equipment against what was installed, observe flowrates and air flows in the system and obtain samples at various points through the system for contaminant analysis. The initial site visits will be carried out by Dr Tony Farrugia, Principal Engineer with Ecowise and who has many years experience in the design of wastewater treatment systems, both industrial and domestic.
2. Engineering calculations to assess equipment suitability will be carried out. Any inadequate equipment will be listed and replacement costs will be given after budget quotations from potential suppliers. Current maintenance and operational procedures will be assessed against the Operational Procedures Manual supplied on installation; any variations will be listed and the suitability of the existing procedures will be reviewed.
3. A final report will be prepared outlining the any upgrade costs, including an equipment list, estimated services requirements, installation costs, commissioning costs and estimated engineering costs, including project management. The report will also include any recommendations with regard to changes in maintenance or operational procedures.

## COMMERCIAL

The total cost for the project is estimated at **\$5,635 + GST**. Details of an estimate of the costs are provided below. It is estimated that the project will take 3 weeks to complete.

Task	Estimated Hours and Staff Cost	Fee (ex GST)
Initial Site Visits	8 hours on site including travel time. – Principal Engineer \$200/hr	\$1,600
Engineering calculations and process review, budget costings	5 hours Principal Engineer \$200/hr 3 hours Senior Scientist \$95/hr	\$1,285

Preparation of final report	Estimate 10 hours Principal Engineer \$200/hr	\$2,000
Analysis costs	5 samples at \$150/sample	\$750

**Note:** Final budget estimates for upgrade may vary if original drawings show more complexity in the system than is observable from visual inspections. The P&ID drawings and any “as built” construction drawings should be made available if possible. If there is any extension of time and/or additional costs involved, Macarthur Strata will be notified before the additional work is commenced.

We have submitted this quote subject to the Ecowise Environmental (Victoria) Pty Ltd Conditions of Engagement for Professional Services (attached). Prices quoted are valid for 30 days from the date of this proposal and Ecowise reserves the right to modify thereafter.

Ecowise has the following insurance cover:

Public and Product Liability: More than \$10,000,000	Marsh Pty Ltd Policy no. 509/DR339207
Professional Indemnity: More than \$5,000,000	Marsh Pty Ltd Policy no. 509/DR339207
Accident Compensation	QBE Mercantile Mutual Workers' Compensation (Policy No: 01022197)
Work Cover (Victoria)	1SF0017083GWC154

## CLOSURE

We trust that this proposal meets your needs. Please do not hesitate to contact myself on 0407 451 611 to discuss further.

Dr Tony Farrugia

Principal Engineer

## CONDITIONS OF ENGAGEMENT FOR PROFESSIONAL SERVICES

Ecowise Environmental (Victoria) Pty. Ltd. (Ecowise) shall perform the professional services in accordance with the following conditions.

1. Ecowise shall provide to the Client the professional services described in the accompanying tender, quotation, letter or facsimile (the Commission).
2. In providing the service, Ecowise shall exercise the degree of skill, care and diligence reasonably exercised by professional service providers in similar circumstances.
3. The Client shall provide Ecowise with a detailed briefing and all relevant information concerning the Client's requirements for the Commission prior to commencement of the Commission.
4. The Client shall pay to Ecowise the Fee and the Reimbursable Expenses as set out in the accompanying tender, quotation, letter or facsimile.
5. All monies payable by the Client to Ecowise shall be paid within 30 days of invoice. Monies not paid within that period may attract an account management fee calculated from the date of invoice until payment at the rate of 20% per annum.
6. Subject to paragraph 7, the liability of Ecowise to the Client in respect of the professional services shall be limited to the total cost of rectifying the services or the total cost of the Commission whichever is the lesser.
7. Liability for breach of a conditional warranty implied into these Conditions by the Trade Practices Act 1974 is limited, at the option of Ecowise, to any one or more of the following:  
  - the supplying of the services again; or
  - the payment of the cost of having the services supplied again.
8. Notwithstanding anything else in these Conditions or in any accompanying tender quotation or letter, no action, claim or demand shall be made against Ecowise by the Client after the expiration of one year from the date of invoice in respect of the final amount paid for this Commission to Ecowise pursuant to clause 5.
9. If the Client suffers injury, loss or damage partly as a result of Ecowise's fault and partly as a result of the Client's own fault, any claim for damages by the Client against Ecowise for breach of contract will be reduced, as if the Claim were based in negligence, to the extent that is just and equitable having regard to the Client's share in the responsibility for the injury, loss or damage.
10. Copyright of all proposals, drawings, reports, specifications, bills of quantity, calculations and other documents provided by Ecowise in connection with the Commission shall remain the property of Ecowise.
11. Subject to clause 12, the Client alone shall have a licence to use the documents referred to in Clause 10 for the purpose for which they have been provided and for no other purpose, but the Client shall not use, or make copies of such documents in connection with any work not included in the service.
12. If the Client is in breach of any obligation to make a payment to Ecowise, Ecowise may revoke the licence referred to in Clause 11, and the Client shall then cause to be returned to Ecowise all documents referred to in Clause 10, and all copies thereof.
13. Any dispute (other than one relating to the payment of money to Ecowise) between the Client and Ecowise shall be submitted to a mediator for determination. A mediator may be appointed by agreement between the parties or in the absence of agreement by either party requesting the President of the Law Institute for the time being to appoint the mediator. The mediator must act as an expert and not an arbitrator.
15. The Client may terminate its obligation under this Agreement;
  - a) In the event of a substantial breach by Ecowise of its obligations hereunder, which breach has not been remedied within 30 days of written notice from the Client requiring the breach to be remedied, or
  - b) Upon giving Ecowise 60 days written notice of its intention to do so.
16. Ecowise may suspend or terminate its obligations under this Agreement;
  - a) In the event of:
    - i) monies payable to Ecowise hereunder being outstanding for more than 60 days.
    - ii) other substantial breach by the Client of his obligations hereunder, which breach has not been remedied within 30 days of written notice from Ecowise requiring the breach to be remedied, or
  - b) Upon giving the Client 60 days written notice of their intention to do so.
17. Subject to the Client's prior approval, and if Ecowise considers it appropriate, Ecowise may engage a third party consultant. The Client must not unreasonably withhold its approval and shall accept responsibility for all moneys due and payable to the third party consultant.
18. Neither party may assign, transfer or sublet any obligation under this Agreement without the written consent of the other. Unless stated in writing to the contrary, no assignment, transfer or subletting shall release the assignor from any obligation under this Agreement.
19. As an Occupational Health & Safety consideration, it is a requirement of Ecowise Environmental Pty. Ltd. that all samples received be undamaged and prior advice given in writing of any potential health risks. Additionally, we also require prior information regarding potential hazards when sampling is requested.
20. Acceptance of this Commission and these Conditions of Engagement must be received in writing from the Client prior to commencement of the Commission. Receipt of a chain of custody or any instructions from Clients after receipt of these conditions shall constitute acceptance of these conditions.
21. This Annexure marked "A" forms part of the Agreement.