Agenda Item: 9.

MEMORANDUM

TO: Programs, Projects and Operations Sub-Committee

SUBJECT: Request from Olsson Associates for Additional Engineering Fees for Silver Creek Watershed

DATE: December 2, 2011

BY: Terry Schumacher, Land & Water Programs Coordinator

At their November 18, 2004, meeting, the P-MRNRD Board of Directors approved an Agreement with the Natural Resources Conservation Service that would accelerate the design and construction of 10 of the erosion/sediment control dams remaining in the Silver Creek Watershed Project. This agreement called for the selection of a Technical Service Provider (TSP) to provide the necessary professional services. Olsson Associates was the Technical Service Provider that was chosen to do this work. A contract with Olsson Associates was approved by both the P-MRNRD and the NRCS; the dollar amount of the contract was $416,742.00. The costs were to be divided equally between the District and NRCS.

To date, eight of the structures have been built, one has been deleted from the contract and Site 11, the largest structure, is near completion. The Site 11 dam is complete with the seeding and fencing yet to be completed.

Attached is a letter from Olsson Associated that explains in detail their request for additional professional services in the not to exceed amount of $20,000. If approved, it would increase the contract to a not to exceed amount of $639,263.24.

Management recommends that the Subcommittee recommend to the Board that the maximum, not to exceed amount for professional services contract with Olsson Associates for the Silver Creek Watershed Project, be increased to $639,263.24.
November 30, 2011

Mr. Terry Schumacher
Papio-Missouri River NRD
8901 S. 154th Street
Omaha, NE 68138

Re: Additional Services for Silver Creek Site 11
Olsson Project No. 2004-1269

Dear Mr. Schumacher:

The intent of this letter is to inform you of additional services necessary during construction administration of the Silver Creek Watershed Project and to request consideration by the P-MRNDRD Board of the enclosed contract amendment to cover these services. The original contract, approved in December 2004, included the design and construction observation of 10 low hazard dams in the Silver Creek Watershed in Burt County, NE. Of those 10, 8 have been completely designed and constructed under the original contract. Site 11, originally designed per the original contract, was determined to be High Hazard structures and required additional design and environmental permitting services. As such, additional requirements resulted in three previous contractual amendments, as shown below:

**Work Currently Under Contract**

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<th>Original Contract</th>
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<tr>
<td>October 2006 Add Services</td>
<td>$78,491.24</td>
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<td>December 2007 Add Services</td>
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<td>January 2010 Add Services</td>
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<td><strong>Total Contract Cost</strong></td>
<td><strong>$619,263.24</strong></td>
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Currently, Olsson has invoiced for $619,250.80, leaving $13.20 remaining. As a result of the work completed to date, Silver Creek Site 11 construction has been substantially completed with a few minor construction items remaining. However, the costs necessary to oversee construction activities and administer the construction contract have significantly exceeded the budget for this work.

The total construction observation budget for Silver Creek Site 11 was 66,715.75. Costs documented to-date for this portion of the project are around $123,500. A majority of this difference in cost is simply a requirement for more involvement and more time by Olsson staff to properly coordinate the construction. These services are covered as part of the existing contract between Olsson and the District and it is not Olsson’s intent to request payment for these additional costs.

Throughout the design and construction of this project, Olsson has subcontracted with Norm Koester Engineering and in fact, Norm Koester, P.E. is the engineer of record for the Site 11 construction plans and specifications. As such, Norm is required to be involved in all decisions...
Mr. Schumacher  
November 30, 2011  
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and approvals related to changes or interpretations of the construction plans and specifications. Norm’s involvement in the construction administration portion of this project was not previously incorporated in the scope of services or accounted for in the previous budget. To date, professional services provided by Mr. Koester have resulted in $25,525.00 in accumulated charges without any additional markup, see attached table. Of these fees, the District has already paid for invoices through August 19, 2011. Therefore, the outstanding amount owed to Norm Koester Engineering is $12,165.

Because of this additional work provided by Mr. Koester, it is Olsson’s request that these additional services be paid by the District on an hourly basis not to exceed $20,000. Approval of this additional fee requires an amendment to the existing contract. Enclosed for your consideration is an amendment to the existing contract which would raise the maximum not to exceed fee to $639,263.24.

As always, I am available for any questions you might have at 402.938.2470.

Sincerely,

[Signature]

Paul W. Woodward, P.E., CFM  
Group Leader

Enclosures
### Invoices from Norm Koester Engineering

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$25,525.00
Amendment to Owner-Program Manager Agreement

1. Background Data:

   a. Effective Date of Owner-Program Manager Agreement: December 9, 2004
   
   b. Owner: Papio-Missouri River NRD
   
   c. Program Manager: Olsson Associates
   
   d. Program: Silver Creek Watershed in Burt County, NE

2. Nature of Amendment [Check those that are applicable and delete those that are inapplicable.]

   X Additional Services to be performed by Program Manager
   ____ Modifications to Services of Program Manager
   ____ Modifications to Responsibilities of Owner
   ____ Modifications to Payment to Program Manager
   ____ Modifications to Time(s) for rendering Services
   ____ Modifications to other terms and conditions of the Agreement

3. Description of Modifications

   Attached letter to Terry Schumacher dated November 30, 2011 detailing the nature of the requested additional services.

Owner and Program Manager hereby agree to modify the above-referenced Agreement as set forth in this Amendment. All provisions of the Agreement not modified by this or previous Amendments remain in effect. The Effective Date of this Amendment is December 11, 2011.

OWNER:                                                                                   PROGRAM MANAGER:

By: John Winkler                                                                                     By: Michael C. Piernicky
Title: General Manager                                                                                   Title: Omaha Office Manager
Date Signed:                                                                                               Date Signed: December 2, 2011