

MEMORANDUM

TO: Programs, Projects & Operations Subcommittee

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

DATE: December 3, 2007

FROM: Ralph Puls

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 (a map of the project area is attached). 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's was approved by both the P-MRNRD and the NRCS; the dollar amount of this contract was \$416,742.00. The costs were to be divided equally between the District and the NRCS. The same was true for the construction costs for the 10 dams in the plan; they were to be shared by the District and the NRCS.

To date, seven of the structures have been built, two were deleted from the contract and one structure, Site 11, is designed and remains to be built. The costs to complete this work and thus to complete the work contracted for have increased since the project was approved. Due to some inaccuracies in the preliminary information and some geotechnical concerns, Site 11 is much larger and much more complicated to design and build than was originally envisioned by the NRCS, the District and Olsson Associates. The November 30, 2007 letter from Olsson Associates that details the proposed cost increases is attached.

Site 11 is being designed as a "High Hazard Potential" structure because there is inhabited property downstream that is in harm's way if the dam would fail. Significantly more work is involved to design and build a "High Hazard Potential" dam. In addition, the cost to obtain a 404 permit from the Corps of Engineers (COE) has increased greatly because the COE is requiring extensive documentation and input from the District to show that this structure meets their requirements. Rather than a National Permit, the Corps of Engineers requests that an Individual permit be obtained. **Of the \$81,850 requested by Olsson, \$70,500 is for the preparation of a 404 permit.**

Primarily because of the reasons stated above, the cost to design and to build is much higher today than what was expected in 2004, when the original contract with Olsson Associates and the NRCS was approved. The contract was amended in October 2006, to pay for some of the increases in cost; the current contract is for \$495,233.24. The increase in professional service fees requested for Site 11 is \$81,850.

Attached is a letter from Olsson Associates that further explains their request for additional professional service fees in the amount of \$81,850. If approved it would increase the contract to \$577,803.24.

It is recommended by staff 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 \$577,803.24



30 November 2007

Mr. Ralph Puls
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 Ralph:

This letter is in reference to our recent meeting regarding additional services for the 404 permitting and construction observation for Silver Creek Site 11. At our meeting, we broke down what has been done to date on the project as well as what effort remains. Below that information is provided again:

Work Currently Under Contract

Original Contract:	\$416,742
October 2006 Add Services:	<u>\$78,491.24</u>
Total to Date:	\$495,233.24

As per the attached letter, the Oct. 2006 Additional Services were for the re-design and construction observation services for Sites 11 & 35. Since that October meeting, the size of Site 11 has grown significantly (mainly due to geotechnical reasons) and will require additional construction observation time. The size of the structure is also requiring an IP (Individual Permit) for the U.S. Army Corps of Engineers 404 permit. The stream channel and wetland impacts triggered the IP and therefore, a thorough alternatives analysis must be completed along with a plan to mitigate these impacts. For these reasons, we respectfully request additional professional services fees as detailed below to cover these unforeseen expenses;

404 Permitting

Permit Application:	\$50,500.00	(5 months)
Conceptual Mitigation Plan:	\$8,000.00	(100 hours)
Final Mitigation Plan:	\$6,000.00	(80 hours)
Constr. Observation:	<u>\$6,000.00</u>	(80 hours)
Sub-Total:	\$70,500	

Mr. Ralph Puls
30 November 2007
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Additional Site 11 Construction Observation

Additional Construction Observation:	\$10,000.00	(20 weeks allowed per contract)
Site 23, 24, 25 Repair Observation:	<u>\$1,350.00</u>	(by Norm Koester/Lee Appleby)
Sub-Total:	\$11,350.00	

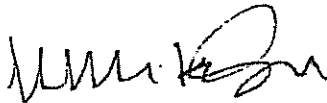
The additional services are based upon a 20-week construction observation period with fees and expenses totaling approximately \$3,000 per week. Actual construction time may be shorter depending on the contractor, weather, etc. 20 weeks appears to be a fair time period for the contractor, given the conditions we are aware of at the site and the size of the effort.

The total additional services beyond what is currently under contract total **\$81,850**.

Attached is a contract amendment reflecting this proposed contract addition. If you find this proposal acceptable, please sign both attached executable copies and return one to me in the envelope provided.

As always, I remain available for any questions you might have.

Sincerely,



Michael K. Sotak, P.E.
For the Firm



October 4, 2006

Mr. Ralph Puls
Papio-Missouri River NRD
8901 S. 154th Street
Omaha, NE 68138-3621

Re: Silver Creek Watershed Contract
OA Project No. 2004-1269

Dear Ralph:

This letter is in reference to the current state of the contract for the Silver Creek Watershed Project. As you are aware, our most recent invoice brought the total amount billed to date to \$433,733.24, and the original contract price was **\$416,742.00**. Included in the total billed to date is the \$20,621.13 in additional services for the additional field time needed to complete Taylor Excavating's contract and approximately \$30,000 of the \$38,417 of approved additional engineering services to re-design Sites 11 and 35.

We respectfully request that you consider a total contract increase of **\$78,491.24**

1. Additional services to date of \$16,991.24 for site redesigns and construction observation
 2. \$8,000 to complete the designs of Sites 11 and 35.
 3. \$53,500 for construction observation services on Sites 11 and 35 *
- Construction observation services estimated at 20 weeks \$2500/week and 14 weeks of nuclear moisture/density testing at \$250/week. Actual construction time may be shorter depending on the contractor, weather, etc. 20 weeks appears to be a fair construction time frame, given the scope and volume of work to be done.

If approved, this increase would bring the total contract amount to **\$495,233.24**.

Thank you for your consideration of our proposal. As always, feel free to contact us with any questions you may have.

Sincerely,

Michael K. Sotak, P.E.
For the Team

SUGGESTED FORMAT
(for use with E-500, 2002 Edition)

This is EXHIBIT K, consisting of 1 page, referred to in and part of the Agreement between Owner and Engineer for Professional Services dated 9 December, 2004.

AMENDMENT TO OWNER-ENGINEER AGREEMENT

1. Background Data:

- a. Effective Date of Owner-Engineer Agreement: 9 December 2004
- b. Owner: Papio-Missouri River NRD
- c. Engineer: Olsson Associates
- d. Project: P-MRNRD Silver Creek Watershed Project

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

- Additional Services to be performed by Engineer
- Modifications to Services of Engineer
- Modifications to Responsibilities of Owner
- Modifications to Payment to Engineer
- Modifications to Time(s) for rendering Services
- Modifications to other terms and conditions of the Agreement

3. Description of Modifications

Attached letter to Ralph Puls dated 4 October 2006 detailing the nature of the requested additional services.

Owner and Engineer 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 8 November 2006.

OWNER:

ENGINEER:

By: Marlin J. Petermann
Title: Acting General Manager
Date Signed: November 8, 2006

By: Michael K. Sotak, P.E.
Title: Vice President
Date Signed: _____

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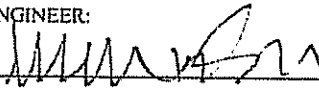
Attached letter to Ralph Puls dated 30 November 2007 detailing the nature of the requested additional services.

Owner and Engineer 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 11 December 2007.

OWNER:

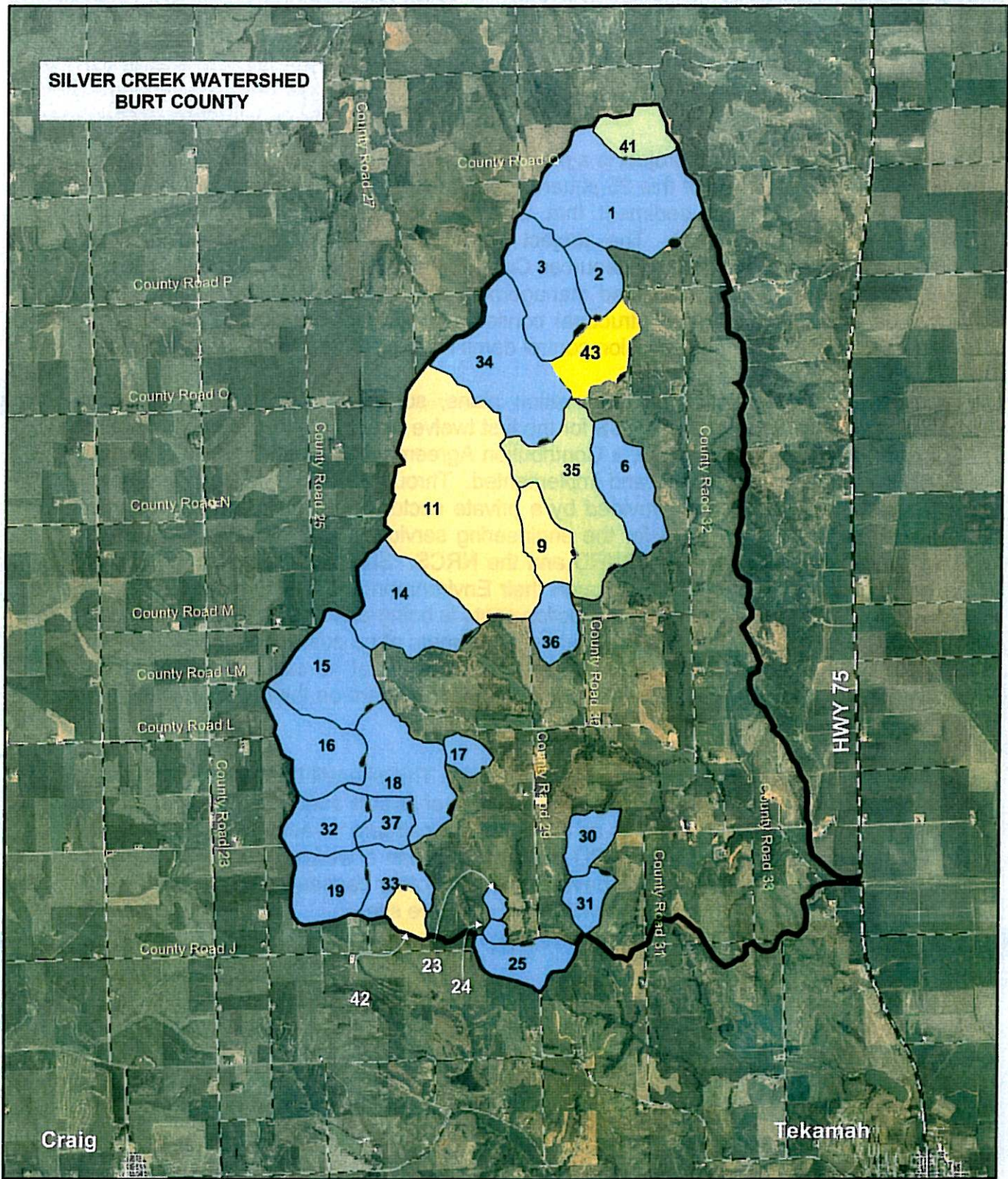
By: _____
Title: _____
Date Signed: _____

ENGINEER:



By: Michael K. Sotak, P.E.
Title: Vice President
Date Signed: 30 Nov. 2007

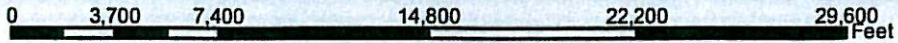
**SILVER CREEK WATERSHED
BURT COUNTY**



Legend

Structure Schedule

- COMPLETED
- SPRING 2008
- CANCELLED (Landowner request)
- POTENTIAL SITE



2005 Ortho Imagery Not To Scale



Date: 08/23/2007

The Silver Creek Watershed project is a project to control soil erosion and to provide grade stabilization in the uplands of this 25 square mile watershed. The project will reduce the estimated 80,000 tons of sediment that is being deposited in the Burt-Washington Drainage District each year. The project began in 1987, with planning and site identification by the local Natural Resources Conservation Service (NRCS) Field Office. In 1995, NRCS completed a watershed management plan for construction of thirty erosion control dams as well as other structural conservation practices including terraces and waterways. To date, nineteen erosion control dams have been built (see attached map).

Technical assistance including conservation plans, surveys, design and construction inspection was provided by the NRCS for the first twelve structures built. For structures 6, 11, 23, 24, 25, 30, 31, 35 and 36, a Contribution Agreement between the NRCS and the P-MRNRD has been developed and implemented. Through the Contribution Agreement, the technical assistance was provided by a private sector engineering firm; a Technical Service Provider (TSP). Costs for the engineering services being provided by TSP are being shared equally by the P-MRNRD and the NRCS. Some of the construction costs are being provided by the NRCS through their Environmental Quality Incentive Program (EQIP) and the remainder of the construction costs is being paid by the P-MRNRD. Land rights for the structures are being granted by landowners at no cost to the P-MRNRD, and the P-MRNRD agrees to build and maintain the structures at no cost to the landowner. The landowner is required to have at least 75% land treatment on their land located in the drainage area of each dam.

Currently the TSP is completing the design of Site 11. This site will be the largest structure in the plan and the most costly to construct. Because of its size and hazard classification, it is being designed as High Hazard so as to protect downstream infrastructure, property and life. With this structure, the P-MRNRD plans to establish a wetland bank that could be used to mitigate for wetlands lost to development and other causes within the P-MRNRD. Several wetland acres will be created within this structure site.