

MEMORANDUM

TO: Programs, Projects & Operations Subcommittee

FROM: Ralph Puls

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

DATE: October 4, 2006

At their January 12, 2006, meeting the Papio-Missouri River NRD Board of Directors was advised that it was likely that the costs for the professional services contract with Olsson Associates for the design and contract administration of ten Silver Creek Watershed dams would exceed the contract amount of \$416,742.00 (See attached memo). However, no request was made at that time for additional funds; it was decided to wait and address any need for additional funds when the project was nearer to completion. At this time it is apparent that additional professional services fees will be needed to complete the project. There are two main reasons for this:

1. The remaining two dams, Site 11 and Site 35 are much larger than the other dams and they are being designed as high potential hazard dams. This has required considerably more design time and will require added construction observation; thus additional costs.
2. The construction schedules were developed with Sites 6, 30, 31, and 36 (built by Camden Construction) at the same time as Sites 23, 24, and 25 (built by Taylor Excavation). Since these sites were located close to each other the plan was to save construction observation services funds because all could be inspected in the same time frame. However, Taylor Excavation did not meet the schedule called for in the contract. They missed the deadline for completion of Sites 23, 24, and 25 and are being assessed liquidated damages of an amount equal to the additional construction observation costs (\$20,621.13) incurred by Olsson Associates after the contract deadline.

Attached is a letter from Olsson Associates that further explains their request for additional services fees in the amount of \$78,491.24. If approved it would increase the contract to \$495,233.24; however, the liquidated damages will offset some of this cost.

It is recommended by District 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 \$495,233.24.



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