May 8, 2026

Mr. Austin Rake
Project Manager
City of Valdez, Capital Facilities
ARake@ValdezAK.Gov

Subject: Baler Facility Design

Dear Mr. Rake:

In response to the City of Valdez's (City's) request for proposal on April 2, 2026, HDR Engineering, Inc. (HDR) hereby submits this proposal to provide Invitation for Bid (IFB) Design Documents for the City's New Baler Building.

Background

The intent of the Baler Building Design is to take the Schematic Design Option 3, New Baler Building from the Tech Memo provided by HDR under the City of Valdez Baler Facility Assessment Project (Project No. 25-350-2304) through to completion (IFB Documents). HDR proposes to complete the work as defined below:

HDR will provide IFB Drawings, Specifications, Bid Sheet, and Opinion of Probable Cost (OPCC) required for construction of a new Baler Building on City property adjacent to the existing Baler Facility.

Task 1: Geotechnical Investigation

SCOPE:

As part of this task, HDR will subcontract with Shannon & Wilson (S&W) to perform a geotechnical investigation. S&W's on-site investigation will consist of four borings (one to 40 feet, three additional to 20 feet). During drilling, S&W will collect samples for both soil property testing for geotechnical parameters, as well as sampling for contaminated materials (PFAS and hydrocarbons). If drill cuttings are found to be contaminated, they will be containerized and marked pending sample analysis. Disposal of cuttings if found to be contaminated will be the responsibility of the City.

S&W's report will include a description of observed site conditions, as well as recommendations for foundation design, including foundation recommendations (soil conditions for shallow foundation assumed), recommendations for utilities and if required, mitigation for contaminated soils.

DELIVERABLES:

- Geotechnical Summary Report (draft and final)

SCHEDULE:

- Geotechnical investigation will be coordinated with the City upon finalization of boring log locations. Exact dates will be dependent on the City and drill rig availability.
- Draft geotechnical report will be submitted within four weeks of laboratory deliverable receipt.
- Final geotechnical report will be submitted within two weeks of receipt of City comments.

Task 2: 35% Design

SCOPE:

At the start of the 35% design phase, HDR will hold a virtual workshop session with stakeholders from the City, as well as up to three HDR staff members (Project Manager, Civil Engineer and Structural/Facilities Engineer) to discuss the arrangement of the baler in the new facility and to garner feedback in real time. The preliminary layout presented in the Facility Assessment will be used as a starting point for this discussion. The results of this discussion will be used as the basis for development of the 35% design.

DELIVERABLES:

- Workshop session summary (emailed)
- 35% Design Drawings – Site Plan, Grading Plan, Building Floor Plan, Building Exterior Elevations
- Specifications Index
- Rough order of magnitude (ROM) OPCC (+/- 40% contingency)

SCHEDULE:

- HDR proposes to hold the workshop within three weeks of NTP at a time mutually agreeable to HDR and the City.
- 35% design drawings will be delivered within six weeks of the workshop.

Task 3: 65% Design

SCOPE:

During the 65% design phase, HDR will incorporate comments received from the City's review and advance the 35% design to 65% design. HDR will develop drawings for decommissioning of the existing baler. These will include drawings showing removal of the existing baler, demolition of existing pushwalls and other ancillary features, backfilling of the conveyor pit and overlaying of the existing floor. All other repairs proposed in the Facility Assessment Memo will be addressed in Task 6.

DELIVERABLES:

- Drawings – 65% Civil, Structural, Electrical, Mechanical and Fire Protection.
- ROM OPCC (+/- 20% contingency)
- Specifications (with major project specific edits made, not yet coordinated with City front end documents)
- Bid Sheet

SCHEDULE:

- HDR proposes delivering 65% drawings within 8 weeks of receiving comments from the City on the 35% design; However, start of 65% design may be delayed if the geotechnical report has not been received.

Task 4: 95% Design

SCOPE:

During the 95% design phase, HDR will incorporate comments received from the City's review and advance the design to a 95% final draft state of completion. This includes final drawings, specifications, engineer's estimate, and bid sheet. At this time specifications will be fully coordinated with the City's front-end documents.

DELIVERABLES:

- Drawings – 95% Civil, Structural, Electrical, Mechanical, and Fire Protection
- ROM OPCC (+/- 10% contingency)
- Specifications with all project-specific edits made and fully coordinated with City front ends.
- Bid Sheet

SCHEDULE:

- HDR proposes to deliver 95% drawings within 6 weeks of receiving comments from the City on the 65% design.

Task 5: 100% Design

SCOPE:

At 100% design HDR will incorporate final comments received during the 95% design phase and prepare a final set of documents suitable for bidding and permitting, including structural and all other calculations.

DELIVERABLES:

- IFB Drawings – Civil, Structural, Electrical, Mechanical, and Fire Protection, sealed by Engineers licensed in the State of Alaska
- OPCC (+/- 7% contingency)
- Specifications
- Bid Sheet

SCHEDULE:

- HDR proposes to deliver 100% drawings within 3 weeks of receiving comments from the City on the 95% design, unless significant comments are received.

Task 6: Existing Building Repairs (optional, Time & Materials)

SCOPE:

As part of this Task, HDR will prepare drawings and specifications for the repairs to the existing building suggested in the Facility Assessment memo. Drawings and specifications for repairs and work related to the decommissioning of the existing baler will be included in Tasks 2 through 5, as those are required for a fully operational facility. This task is only for design of the maintenance type repairs that extend the building service life but do not impact overall functionality of the building. These repairs include:

- Replacement of damaged structural elements
- Repairs to damaged siding
- Bracing of added pipes and conduits for water/air/power
- Additional supports/bracing for fire sprinkler piping
- Replacement of insulation
- Enclose area above office/restroom
- Rehabilitation of existing office/restroom
- Clean and re-coat existing structural steel members.

Cost:

HDR proposes completing Tasks 1-5 on a lump sum basis for $311,543; see the attached detailed cost breakdown. HDR proposes completing Task 6 on a time and materials basis for $14,923; see the attached detailed cost breakdown.

Assumptions:

1. City review comments on each deliverable will be consolidated into one file with all conflicting comments resolved internally before being sent to HDR.
2. Review comments on design will be addressed in the following design submittal.
3. Specifications will be based on HDR's Master Specifications in CSI MasterFormat.
    a. HDR will prepare all specifications including contract administration specifications (Division 01). HDR assumes that City of Valdez will provide their contract front end documents/general conditions at NTP to allow for technical specifications to be properly coordinated.
4. No site visits by HDR staff will be required for design of this project. Geotechnical investigation by S&W will be the only site visit.
5. All meetings will be held virtually.
6. All deliverables will be submitted to the City as electronic files only as PDFs.
7. HDR is aware that the baler facility is in an area vulnerable to landslides and other geohazards as it is in close proximity to the previous town damaged by the 1964 earthquake. HDR assumes that due to development and space restrictions, the City will place the new baler facility on the existing site on Sawmill Drive. The new facility will be designed for current code standards related to wind and seismic loading; however, no mitigation will be made for the threat of earthquake induced landslide, liquefaction/lateral spread, tsunami or other catastrophic conditions.
8. Building heat will utilize waste oil burners similar to the existing baler building.
9. Building will be single story and a maximum of 13,500 square feet and will not include offices or bathrooms.
10. The City will provide a list of materials sourced by the Owner and work that will be performed by the Owner with 35% review comments.
11. Leachate removal from the baler pit will consist of manual pumping to maintain observations and communication with the wastewater treatment plant. Design will not include a direct connection to the wastewater treatment plant.
12. Automatic Sprinkler System will be a delegated design using performance specifications along with criteria drawings. The final working plans and calculations as required per code will be provided by the awarded contractor as part of deferred submittal process. The criteria drawings will include system zoning and classification, performance notes, utility connections, and preliminary sprinkler riser layout, inspector's test valve locations for coordination and bidding clarity.
13. Performing an onsite hydrant flow test in accordance with NFPA 291 is not included in this proposal. Hydrant flow test will be provided by client or municipal utilities provider.
14. Fee does not include design of a fire pump and/or water storage tank. Municipal water supply capacity is assumed to be adequate to support fire suppression and fire flow demands.
15. Development of Hazardous Material Inventory Statement (HMIS) and Hazardous Material Management Plan (HMMP) are not included in this proposal.
16. Design of alternative automatic fire-extinguishing systems are not included in this proposal.
17. Bidding and Construction Administration/Engineering related services are not included in this proposal. HDR should be retained during construction to provide engineering support related to procurement and erection of the metal building, as actual loads from the building must be confirmed against HDR's values assumed during design.
18. Engineer's opinions of probable Construction Cost (if any) are to be made on the basis of Engineer's experience, qualifications, and general familiarity with the construction industry. However, because Engineer has no control over the cost of labor, materials, equipment, or services furnished by others, or over contractors' methods of determining prices, or over

competitive bidding or market conditions, Engineer cannot and does not guarantee that proposals, bids, or actual Construction Cost will not vary from opinions of probable Construction Cost prepared by Engineer. If Owner requires greater assurance as to probable Construction Cost, then Owner agrees to obtain an independent cost estimate.

19. Task 6 includes design of maintenance repairs to the existing building, that are in addition to those required to decommission the existing baler and get the new facility operational. Specifications for maintenance repairs will be included as notes on drawings where necessary. No standalone specifications for the repairs will be developed. It is assumed that repairs will be performed as part of the main construction contract. If the City wishes to execute this task, please notify HDR no later than the return of 65% review comments.
20. HDR assumes that the building superstructure (bottom of baseplate up) will be a pre-engineered metal building. HDR will prepare a performance specification that will be included in the bid documents; however, final design of the building will be by the building manufacturer.
    a. HDR's design will be based on our best estimate of building reactions; however, some engineering coordination will be required during construction to confirm assumed loads and make necessary revisions. Budget for the required coordination is not included in this scope. HDR can assist the City with early engagement of a building manufacturer. This would require an upfront cost from the City to be paid to a building manufacturer.

If you have any questions, please contact Courtney Holston, P.E. at (907) 644-2195 or courtney.holston@hdrinc.com.

Respectfully,
HDR Engineering, Inc.

Anna Kohl, CEP
Alaska Area Operations Manager

Attachment: Cost Estimate Breakdown

HDR Engineering, Inc.
COV Baler Building Design

Lump Sum / Firm Fixed Price

COV Baler Building Design		HDR Labor																					SUBS						TOTAL COSTS
Project Role		Project Manager	Deputy Project Manager	Sr. Structural Technical Lead	Structural EIT	Project Accountant 2	CAD	BIM	Model Manager	Sr. Fire Protection Engineer	FLS Suppression	FLS Alarm	FLS BIM	Sr. Architect	Sr. Civil QC	Enviro. Coord.	Sr Mechanical QC	Sr. Structural QC	Engineer Electrical Sr	Estimator Sr	**Hour Subtotal**	**Cost Subtotal**	**Shannon & Wilson**	**EDC Elec.**	**EDC Mech.**	**Subs Subtotal**	**Markup**	**Subs Subtotal with Markup**	
Employee		Holston, Courtney Briana	Buchanon, Samantha Rachel (Sam)	Fortner, Andrew Jack (Andy)	Dowell, Luke Patrick	Hall, Calley Nicole	Fair, Alexander Jonathan (Alex)	Erbsen, BillieJo Nicole	Fancher, Heather A	Warboys, Jesse A	Gascho, Emily Anne	Cunard, William E III	Freeman, Thaddeus R (Thad)	Lambert, Michael E	Hawley, William T	Tran, Carrina Nadhira (Nana)	Sutton, Karl M	Kuntz, Michael William	Best, Donald E	Baldwin, Michael Jon									
2026 Rates		**$144.00**	**$168.00**	**$211.90**	**$141.95**	**$158.43**	**$117.86**	**$111.14**	**$185.57**	**$286.46**	**$238.46**	**$143.46**	**$154.18**	**$256.06**	**$260.80**	**$102.02**	**$245.95**	**$196.80**	**$298.69**	**$247.14**									
Estimated 2027 Rates		**$151.20**	**$176.40**	**$222.50**	**$149.05**	**$166.35**	**$123.75**	**$116.69**	**$194.85**	**$300.79**	**$250.39**	**$150.63**	**$161.88**	**$268.87**	**$273.84**	**$107.12**	**$258.25**	**$206.64**	**$313.62**	**$259.49**							**10%**		
1	**Geotechnical Investigation**	**4**	**0**	**2**	**0**	**2**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	8	$1,317	$70,400	$0	$0	$70,400	$7,040	$77,440	**$78,757**
1.1	Geotechnical Report	4																			4	$576	$70,400			$70,400	$7,040	$77,440	**$78,016**
1.2	QC/OH			2		2															4	$741				$0	$0	$0	**$741**
2	**35% Design**	**26**	**14**	**26**	**0**	**2**	**30**	**40**	**8**	**1**	**6**	**4**	**3**	**0**	**5**	**13**	**1**	**0**	**1**	**8**	188	$29,294	$0	$7,440	$7,480	$14,920	$1,492	$16,412	**$45,706**
2.1	Workshop meeting with City	2	2	2																	6	$1,048				$0	$0	$0	**$1,048**
2.2	35% Design Drawings	16	8	20			30	40	8		5	4	1		4						136	$20,315				$0	$0	$0	**$20,315**
2.3	Specifications Index	2	2	2						1			1			4					12	$1,897				$0	$0	$0	**$1,897**
2.4	ROM Cost Estimate	1	1	1							1		1			8				8	21	$3,710				$0	$0	$0	**$3,710**
2.5	Review Comments/Meeting	1	1	1												1					4	$626				$0	$0	$0	**$626**
2.6	Subconsultants	4																			4	$576		$7,440	$7,480	$14,920	$1,492	$16,412	**$16,988**
2.7	QC/OH					2									1		1		1		5	$1,122				$0	$0	$0	**$1,122**
3	**65% Design**	**29**	**35**	**46**	**18**	**2**	**20**	**60**	**0**	**4**	**25**	**15**	**10**	**8**	**15**	**18**	**2**	**8**	**4**	**8**	327	$55,537	$0	$15,150	$11,460	$26,610	$2,661	$29,271	**$84,808**
3.1	Drawings	10	16	20	14		20	60		2	8		1	8	4						163	$25,105				$0	$0	$0	**$25,105**
3.2	Specifications	10	18	16	2					2	10		2		4	8					72	$13,264				$0	$0	$0	**$13,264**
3.3	Bid Sheet	1		1							5		1		1	1					10	$2,065				$0	$0	$0	**$2,065**
3.4	65% Construction Cost Estimate	1		8	2						2		1		2	8				8	32	$6,069				$0	$0	$0	**$6,069**
3.5	Review Comments/Meeting	1	1	1												1					4	$626				$0	$0	$0	**$626**
3.6	Subconsultants	6																			6	$864		$15,150	$11,460	$26,610	$2,661	$29,271	**$30,135**
3.7	QC/OH					2						15	5		4		2	8	4		40	$7,544				$0	$0	$0	**$7,544**
4	**95% Design**	**21**	**22**	**61**	**16**	**2**	**4**	**40**	**0**	**6**	**28**	**17**	**12**	**8**	**13**	**9**	**4**	**8**	**4**	**8**	283	$51,923	$0	$12,040	$5,240	$17,280	$1,728	$19,008	**$70,931**
4.1	Drawings	6	6	30	8		4	40		2	8	10	4	8	2						128	$21,384				$0	$0	$0	**$21,384**
4.2	Specifications	6	12	26	8					1	8	7	4		2						74	$13,862				$0	$0	$0	**$13,862**
4.3	Bid Sheet	1	1	2						1	6		2		1						14	$3,022				$0	$0	$0	**$3,022**
4.4	95% Construction Cost Estimate	1	2	2							6		2		4	8				8	33	$6,479				$0	$0	$0	**$6,479**
4.5	Review Comments/Meeting	1	1	1												1					4	$626				$0	$0	$0	**$626**
4.6	Subconsultants	6																			6	$864		$12,040	$5,240	$17,280	$1,728	$19,008	**$19,872**
4.7	QC/OH					2				2					4		4	8	4		24	$5,686				$0	$0	$0	**$5,686**
5	**100% Design**	**18**	**5**	**17**	**0**	**2**	**0**	**20**	**0**	**2**	**11**	**6**	**4**	**4**	**6**	**9**	**2**	**4**	**2**	**4**	116	$21,651	$0	$5,580	$3,230	$8,810	$881	$9,691	**$31,342**
5.1	Drawings	8		8				20			2	2	1	4	1						46	$7,637				$0	$0	$0	**$7,637**
5.2	Specifications	1	4	8							3	1	1		1	8					27	$4,831				$0	$0	$0	**$4,831**
5.3	Bid Sheet	1								1	3	1	1		1	1					9	$1,897				$0	$0	$0	**$1,897**
5.4	Construction Cost Estimate	1								1	3	2	1		1					4	13	$2,978				$0	$0	$0	**$2,978**
5.5	Review Comments/Meeting	1	1	1																	3	$550				$0	$0	$0	**$550**
5.6	Subconsultants	6																			6	$907		$5,580	$3,230	$8,810	$881	$9,691	**$10,598**
5.7	QC/OH					2									2		2	4	2		12	$2,851				$0	$0	$0	**$2,851**
6	**Existing Builidng Repairs (T&M)**	**10**	**8**	**20**	**0**	**0**	**0**	**30**	**0**	**8**	**0**	**0**	**0**	**0**	**6**	**0**	**0**	**0**	**0**	**0**	82	$14,923	$0	$0	$0	$0	$0	$0	**$14,923**
6.1	Drawings	5	4	10				30		4					2						55	$8,938				$0	$0	$0	**$8,938**
6.2	Specifications	5	4	10						4					2						25	$5,437				$0	$0	$0	**$5,437**
6.3	QC/OH														2						2	$548				$0	$0	$0	**$548**
	2026 Labor Hour Total	**80**	**71**	**135**	**34**	**8**	**54**	**140**	**8**	**11**	**59**	**36**	**25**	**16**	**33**	**40**	**7**	**16**	**9**	**24**									
	2027 Labor Hour Total	**28**	**13**	**37**	**0**	**2**	**0**	**50**	**0**	**10**	**11**	**6**	**4**	**4**	**12**	**9**	**2**	**4**	**2**	**4**									
	TOTAL COSTS	**$ 15,754**	**$ 14,221**	**$ 36,840**	**$ 4,826**	**$ 1,600**	**$ 6,364**	**$ 21,394**	**$ 1,485**	**$ 6,159**	**$ 16,824**	**$ 6,068**	**$ 4,502**	**$ 5,172**	**$ 11,892**	**$ 5,045**	**$ 2,238**	**$ 3,975**	**$ 3,315**	**$ 6,969**	**1004**	**$174,644**	**$70,400**	**$40,210**	**$27,410**	**$138,020**	**$13,802**	**$151,822**	**$326,466**

Notes:

1. Rates based on multiplier with yearly escalation
2. Rates assume Task 5 and 6 occur in 2027