ARCADIS Design & Consultancy for natural and built assets

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November 15, 2016

Dennis Ragsdale
City of Valdez
212 Chenega Ave.
Valdez, AK 99686

RE: New Valdez Small Boat Harbor Amendment 5 – Project Management Services (increased activity in 2016)

Dear Mr. Ragsdale,

We continue to enjoy working with the City of Valdez and the project team on the planning, design and management of the New Valdez Small Boat Harbor Development project. The following scope of work and Amendment 5 proposal includes compensation for additional project administration and work scope efforts requested by the City that were not previously included in Amendment 4 (2016 scope of services). Arcadis will provide the City with continued project management services of the Phase 1 – Uplands Construction through November 30, 2016.

Scope of Work. Arcadis will perform the following project management tasks as needed or directed through November 30, 2016:

- Continue working with the City, R&M and other stakeholders to refine the layout and obtain consensus on design elements for the new harbor and manage integration into the future contracts
- Continue to serve as Owner's liaison and coordinate with City departments, public utilities, City contractors, USACE, Western Marine Construction, SERVS, canneries, grant agencies and other stakeholders
- Continue to facilitate all project coordination meetings and special issue meetings with the City and R&M
- Continue to monitor the scope of work and schedule and manage the project budget
- Coordinate with US Army Corps of Engineers (USACE) and their contractor for breakwater access
- Evaluate USACE contractor (Western Marine) progress; integrate completion with future bid packages
- Value engineer and implement options for reduction and removal of in-water rock
- Evaluate alternatives and change order scenarios for paving and related activities
- Continue to brief the Executive Committee, Ports & Harbor Commission and City Council as needed
- Provide full-time on-site management and oversight of construction and third-party inspection services
- Prepare periodic construction progress photo reports and monthly project status reports
- Review applications for payment and provide recommendations for payment to the Owner
- Monitor submittal/shop drawing and request for information (RFI) activities
- Administer the request, proposal and change order process; prepare and review cost estimates
- Coordinate site access and laydown with concurrent construction contracts
- Administer Substantial Completion Inspections and Punchlist corrective action work
- Oversee commissioning, project closeout requirements and final accounting

Our marine engineer team member and subcontractor, PND Engineers, will provide support as needed, including:

- Peer review for design packages, value engineering, and cost estimates
- Review or value engineering for in-water rock removal options

Schedule. This amendment covers project management services through November 30, 2016. Substantial Completion of the Uplands work is November 25, 2016. Our current contract for project management services ends December 31, 2016.

Proposed Cost. Arcadis is proposing a Time and Materials (T&M) allowance with a not-to-exceed value of $77,301. This T&M contract approach allows the City the opportunity to request optional services within the contract value.

Estimated T&M costs for 2016 services (Jan 1-Nov 30, 2016)	$713,717
Less Contract Amendment 4 for 2016 services	-$616,691
Overage in 2016 costs from additional services requested by City	**$ 97,026**
Less the contract expenses balance from Amendment 3	-$ 19,725
Value of Amendment 5	**$ 77,301**

Assumptions.

- The City's design engineer, R&M Consultants Inc., role is not affected by this amendment.
- This estimate covers activity through November 30, 2106. The increase in activity this year from the original 2016 proposal requires additional funding. As a Time and Materials estimate, only labor hours and material costs utilized on the project will be invoiced to the City.
- Uncertainty remains regarding Western Marine's completion of dredging and breakwater work; access to the basin for piling and float installation; and the possibility of harbor project schedule/budget impacts related to pending approval of a Comprehensive Waterfront Development Plan.

We welcome an opportunity to discuss this proposal scope with you further. If there is additional information we can provide, please contact me at 907.276.8095 or tony.salazar@arcadis.com.

Sincerely,

Tony Salazar
Alaska Operations Leader