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November 19, 2024

Nathan Duval, Capital Facilities Director City of Valdez Capital Facilities 300 Airport Road, Suite 201 P.O. Box 307 Valdez, Nevada 99686

RE: Sewer Force Main Replacement

SUBJ: Additional Cost Proposal to continue with the construction inspection /

administration engineering

Dear Mr. Duval:

In 2019, this project was conceptually divided into four phases: Phase 1 – Feasibility, Phase 2 – Preliminary Design and Permitting, Phase 3 – Final Design and Grant / Loan Submittals, Phase 4– Construction.

The City of Valdez awarded the work for only Phase 1 and Phase 2 to Day Engineering after requesting qualifications from several engineering firms. The scope of work was indeterminant when we began, and it was decided not to pursue Phase 3 and Phase 4 until we had more information. We were awarded the work for Phase 3, and in 2023, we were awarded a cost proposal for us to complete Phase 4.

Unfortunately, the directional drilling encountered delays that will push completion of the drilling (and other related items) to next year. It will require an extra two months of construction inspection next year over what we had anticipated. We have been averaging about \$150,000 a month in costs during construction. Two extra months will result in about \$300,000 in extra costs. We request an amendment to our Phase 4 contract for an additional \$300,000. We will hold our rates per the contract, and they are included.

Dean Day

Day Engineering

SCHEDULE OF RATES AND CHARGES FOR DAY ENGINEERING SERVICES

ENGINEERING & GENERAL SUPERVISION	RATE PER HOUR	
Principal or Officer of Firm	\$	165.00
Project Engineer	\$	125.00
Field or Design Engineer	\$	100.00
Draftsman	\$	80.00
Field or Office Assistant	\$	60.00
Sub-consultants	\$	Cost plus 15%