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June 20, 2008

Mr. Derek Delacourt
 Deputy Director, Planning Department
 City of Rochester Hills
 1000 Rochester Hills Drive
 Rochester Hills, MI 48309

RE: Revised Draft Cost Estimate for Field Observation of Remediation

Dear Mr. Delacourt:

At your request, I have revised this cost estimate and reduced the level of effort and associated cost required to observe AKT Peerless's remediation activity at the Hamlin & Adams site. I understand that the Council members and Staff may differ in their opinions of the level of effort that is needed in order for STS to confirm that remedial activities were completed by the applicant according to the design and plans submitted to the MDEQ. As you are aware, the Consent Judgment between the City and the Applicant (specifically Section F on Page 25) indicates that the City's Consultant may be on the site at all times during the performance of remediation activities. The intent of that Section, when drafted, was to provide the City with a source of information and documentation and keep the City (and its concerned stakeholders) abreast of critical progress, given the complexity and sensitivity of the proposed remedial activities (that it would not typically have). That Section goes on to say that the City, its consultant, and/or regulatory agencies will meet to review progress. Additionally, that Section places a burden on the City though primarily it's consultant, to **confirm** that the remedial activities are complete, according to the plans and specifications that were designed by the Applicant's consultant and submitted to the City, the MDEQ for approval, to the USEPA for comment (based on direction provided by Region V) prior to "site development and improvements commencing" on the site. Given the expectations placed on the consultant and City by the section of the Consent Judgment quoted above, the minimum estimate of time required to observe and document the applicant's operation and confirm the completion of the activities is outlined below. Though not full time observation, I believe, with minor adjustment to schedules when needed, that this effort will fulfill the expectation of the City at the time the Consent Judgment was drafted.

The cost information below is the best estimate, based on what we currently know of the applicant's plans, of the minimum on-site time needed to observe and document the site activity in order to provide some confirmation that the activities were completed according to the plans and specifications. Based on the contemplated site activity, refinements or revisions may be required in order to adequately observe the critical activities, though the additional time incurred would likely be minimal. Simply stated, the fewer hours that STS staff have available to observe the site activities, the greater the level of caveats that could accompany a confirmation statement.

In order to simplify this matter for all parties, I changed the format of how STS' costs were structured from full time representation to approximately 60% coverage. Based on AKT's cost tables, they estimate approximately 14 weeks of field time. I would propose that STS be on the site three days per week for full days with the flexibility imbedded to say that if non-critical activities are being completed in a given week, that we reduce our on-site coverage to fewer hours or perhaps no coverage in a given week. Conversely, the opposite may be true as well and the critical nature of the field operation may require more than three field days in a given week. The goal would be to balance or reduce the amount of time in the field (and cost) and still be able to confirm that activities were completed according to the plan. The following price schedule would apply:

30 hours per week * \$90 * 14weeks	\$37,800
42 days expenses	\$ 2,200
10 hours geotechnical design review	\$ 1,350
Meetings and Coordination	\$ 4,000 (if needed)
Report of Observations	\$ 3,000 (if desired)

Total effort, this phase \$48,350

I have some flexibility in the staff member assigned so that rates could be a bit lower and likely save several thousand dollars. However the person I have proposed in this effort currently was one of the people on the site last summer during the investigation thus he is familiar with the situation and the site conditions. Changing to a more junior staff member would have an impact on cost but I wanted to give you something closer to the "worst case". Please note that this is entirely based on AKT's time estimate and my understanding of what the City now wants to accomplish. Unforeseen situations or different tasks could change the scope and consequently the cost, though only at the City's discretion. The City can elect to remove the report item to save money as well. The City could reduce our coverage further though with much less time we risk not having enough time to adequately document and confirm the activities. Based on STS' agreement with the City, you aren't charged for any time in a project that is not expended. If you have questions about this estimate, please let me know. Please contact me at 248-676-9594.

Respectfully,

Jim Anderson
Associate Scientist

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