

April 12, 2013

Ms. Tracey A. Balint, PE, Project Engineer
Department of Public Services
1000 Rochester Hills Dr.
Rochester Hills, MI 48309

Re: Construction Phase Services for DPS Salt Storage Facility
City File #E10-021

Dear Ms. Balint:

Thank you for the opportunity to continue working with the City of Rochester Hills on the Salt Storage facility. As requested, we are submitting this proposal to continue our assistance with contract administration services for the new salt storage facility at the DPS site at 511 E Auburn Road, Rochester Hills, Michigan. Our current proposal includes services related to steps seven through eight as described in our original proposal dated 9/14/11.

Project Description

OHM previously provided the City with a study to determine an appropriate size and configuration for a new salt storage facility which would house 3,500 tons of road salt. The new 5,500 square foot facility will include three new brine tanks and associated pumps, containment and fittings, partial demolition and repair of the existing cold storage facility, and civil improvements to accommodate the new facility. OHM prepared a cost estimate for the base bid of construction of \$880,000. The low bid was received at \$747,850.00, and the bids are currently under review. The City would like to proceed with the award of contract to the low bidder and would like to secure contract administration services from OHM.

Scope of Services

Step 7: Construction Administration

OHM will provide the following services during the construction contract administration phase.

- ▶ Assistance in execution of the agreement
- ▶ Review of contractor's initial submittals including insurance certificates, bonds, list of subcontractors and suppliers
- ▶ Arrange and attend a pre-construction meeting
- ▶ Review the submitted construction schedule
- ▶ Review the inspection requirements and proposed schedule
- ▶ Define communication channels
- ▶ Schedule and attend weekly progress meetings with the contractor and the city.
- ▶ Prepare project site visit reports
- ▶ Photo document site visits



- ▼ Respond to requests for information and maintain a log of responses
- ▼ Review the submittal schedule from the contractor
- ▼ Receive, log, review and return shop drawings and submittals
- ▼ Review, comment, confirm stated progress and distribute pay applications including partial and final lien waivers, continuation sheets and sworn statements
- ▼ Respond to requests for substitutions
- ▼ Issue bulletins, review responses with the city and issue change orders
- ▼ Provide additional site visits during critical phases of the project. OHM will plan to visit the site twice weekly during the initial phases of the project. If such attention appears to be unwarranted, OHM can reduce the frequency of visits as the project schedule proceeds.
- ▼ Review and respond to requests for additions to the contract sum
- ▼ Maintain a log of daily progress, correspondence and events
- ▼ Provide council during investigations of contaminants in the building and soils
- ▼ Provide evaluation of enforcement of liquidated damages clause
- ▼ Review of all contractor correspondence including meeting minutes and regularly updated schedules
- ▼ OHM design professionals and consultants will review their respective shop drawing submittals including structural, civil, mechanical, electrical and plumbing
- ▼ Involvement in dispute resolution, if required

Step 8: Project Closeout

Upon mutual agreement by OHM, the City and the general contractor, OHM will schedule an on-site review of the project to develop a punchlist. Upon issuance of the punchlist, if agreed upon by all involved design professionals, OHM will issue a certificate of substantial completion.

The contractor will then be responsible for completion of punchlist items, submittal of red-marked as built drawings, submittal of an O&M manual, and securing final approval of all permits including a certificate of occupancy, submittal of final lien waivers, and submittal of all final closeout documentation as required by the specifications. Only then will OHM, in agreement with City, release the final application for payment.

OHM will prepare as built documents based upon red-marked drawings received from the general contractor.

Schedule

The contract requires the project to be completed within 130 consecutive calendar days from the date of the notice to proceed. The city expects to secure approval from City Council in April of 2013.

Fee for Basic Services

OHM shall be compensated for steps seven through eight as described above on an hourly basis per our continuing services contract with the City of Rochester Hills. OHM expects that the cost of our services as described above will be in the range of \$35,000 to \$40,000 depending upon the professional attention required due to site conditions and contractor demands. OHM will not exceed the upper limit of this proposal without prior authorization from the City.

Additional Services

The following services are available from OHM but are not included as a part of this agreement. These services will only be provided upon receipt of a signed amendment to this agreement.

- ▼ Assistance in securing approvals from any authority not explicitly designated as part of the scope of this project including permitting from the Department of Environmental Quality for installation of a new salt storage facility



Assumptions and Responsibilities

The responsibilities of the client include but are not limited to the following:

- ▼ The client is responsible to arrange, schedule and pay for environmental investigations and abatement.
- ▼ The client is responsible to arrange, schedule and pay for inspectors and testing engineers.
- ▼ The client will pay all plan review fees.

We are pleased to submit the above proposal. Should this agreement meet with your approval, please let us know and we will send along a Project Supplement for your signature. We look forward to proceeding with the construction of this project.

Very truly yours,

ORCHARD, HILTZ & McCLIMENT, INC.

Rhett Gronevelt, P.E.

Client Representative

Cc: Wayde Hoppe, RA, NCARB, LEED AP, Project Architect