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May 17th, 2017

Rebecca Neves
City of Placerville
3101 Center Street
Placerville, CA 95667

Subject: Pardi Way/Big Cut Rd./Sacramento Street Waterline Replacement Project, CIP #41109 – Contract Amendment Request #2

Dear Mrs. Neves,

As this project has progressed, we have performed additional construction management, inspection, and materials testing outside the scope of our original contract and Contract Amendment #1. The majority of this additional work will be covered by the contractor's material supplier (and subsequently the material manufacturer) due to defective material and the remainder of this additional work will be covered by a credit negotiated with the contractor due to the contractor working past their allowable working days.

The additional construction management, inspection, and materials testing work can be broken down into four categories: Service Saddle Removal and Replacement (due to defective material), PVC C900 DR-18 Pipeline Removal and Replacement (due to defective material), Double Shifts (contractor opted to work both day and night shifts on same day), and Additional Working Days (contractor's work extended past contract working days). Below please find the estimated cost of each extra work item:

Service Saddle Removal and Replacement	$10,001
PVC C900 DR-18 Pipeline Removal and Replacement	$55,827
Double Shifts (8 Days @ $2,157/Day)	$17,258
Additional Working Days (15 Days @ $2,157/Day)	$32,359
TOTAL	**$115,445**

As discussed above, the first two items relate directly to noncompliant work and are the direct responsibility of the contractor. Our team has worked internally to track this additional expense separately and the City will be deducting this amount form the contractor's contract.

With regards to the double shifts, our scope of services assumed one regular construction shift in a working day which would amount to 8 hours of inspection services per working day. In an effort to remove and replace the defective material as quickly as possible, the contractor and their subs worked both day and night shifts during the same working day. Prior to starting this project, we estimated the cost per working day for this project would amount to $2,157 which is reflected above.

The contractor's working days ended on Friday, May 5th, 2017. Per the contractor's latest schedule, we are assuming 15 additional working days and final completion being granted on Friday, May 26th, 2017. We again used $2,157 per working day when estimating the additional cost for these services.

While the above references a total estimated amount of $115,445, we are only requesting an increase of our contract total in the amount of **$79,570**. We came in under budget on several of our tasks and propose moving $50 from Phase I., $4,395 from Phase III., and $5,280 from Phase IV. of our contract to Phase V. Construction Management, Inspection, and Materials Testing. We also experienced an increase in efficiency as the project progressed, which has allowed us to perform our work at less than the previously estimated $2,157 per working day.

Since $65,828 of our amendment request will be paid by the contractor via a contract deduction, this only leaves $13,742 to be covered by the City. Should final completion be granted as assumed on Friday, May 26th, 2017; a credit of $105,000 would have been amassed.

If you have any questions or comments, please don't hesitate to contact me.

Sincerely,

Jim Fisher, PE, QSD/P