



October 26, 2022

**Municipality of Skagway**

700 Spring St.  
Skagway, Ak 99840

Attn: Mr. Tyson Ames

Re: Amendment to Professional Services Agreement 4934-10340656 Construction Management Services for Skagway School Remodel

HDR CCC Project Number: 10340656

Mr. Tyson Ames,

The proposed amendment to this contract shall provide an extension of HDR's construction management services for the Skagway School Re-model project. The intent of this amendment is to capture the costs required to complete the remaining scope of work as defined in the 'Scope of Services' of the Contract. This contract is executed on a time and expense basis designed to bill only for actual costs incurred.

There are four fundamental reasons as to why an extension is required: 1) HDR conformed to the construction contractor's schedule for on-site inspections, 2) complications arose in the field during demolition, 3) assistance with non-school related projects, 4) and the implementation of nine change orders required additional time and effort for HDR to work through.

HDR's original proposal (Exhibit B of the Contract) assumed that HDR would staff one on-site inspector dedicated to the project for 14 weeks at 60 hours per week. During construction, however HDR adapted to the Contractor's work schedule which was often more than 10 hours per day and on multiple occasions worked seven days per week. Inspection duration was based on a project completion date of October 31, 2022. The project will not be completed by October 31<sup>st</sup> and has been extended.

During the demolition phase, existing building damage was discovered on the chimney/sectional wall pocket. Water intrusion had caused rot in the existing structural elements, requiring an investigation to identify the extent of the damage resulting in the development and implementation of a repair plan before the project could continue. This was out of scope work that used unplanned hours.

Island Contractors worked between the Shoreline Park Restroom project and School re-model project during the 2022 construction season. HDR provided oversight on the Shoreline Park project as directed by the MOS. These hours were accounted for under this contract.

Changes to the construction contract in Change Order's #1-9 of Island's construction contract took additional hours of field support to derive a field solution that would work and execute the change.

HDR has done its best to manage labor hours and the construction administration budget, however the project is incomplete, and an extension will be required for completion. HDR is committed to a full project delivery.



It is anticipated that only 11 of 14 weeks included on the amendment will be used to complete the remaining work (installation of appliance, electrical, commissioning, and final closeout), however it is recommended that the additional hours remain as a contingency in the unlikely event that further delays occur.

In closing, I would like to reiterate that this is a T&E contract and HDR will be billing only for the actual amount of work required to complete and close out the contract.

Thank you for the opportunity to serve the Municipality of Skagway.

Brian A. Hessert PM, SI.

(907) 250-0407



**PRICE PER TASK SUMMARY**

<b>FIRM:</b> HDR CCC	<b>PROJECT TITLE:</b> Skagway School Remodel	<b>DATE:</b> 1/26/2022
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	<b>TOTAL NEGOTIATED FEE%:</b>
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GROUP	TASK	LABOR (or FP)	INDIRECT COST	EXPENSES	TOTAL COST	SUB MARKUP (0%)	FIRM'S TOTAL PRICE	*SUB- CONTRACTS	PRICE PLUS SUBS
NTP	1	\$ 114,223.02	\$ -	\$ 25,861.00	\$ 140,084.02	\$ -	\$ 140,084.02	\$ -	\$ 140,084.02

\*Subcontractors for negotiated professional or technical services, products, etc. (Commodity items available to the general public at market prices, equipment use, and unit priced items are generally included in estimate as expenses.)

ESTIMATED TOTALS	LABOR (or FP)	INDIRECT COST	EXPENSES	TOTAL COST	FEE	FIRM'S TOTAL PRICE	*SUB- CONTRACTS	PRICE PLUS SUBS
<b>FOR FIRM:</b>	\$ 114,223.02	\$ -	\$ 25,861.00	\$ 140,084.02	\$ -	\$ 140,084.02	\$ -	\$ 140,084.02