



**Strand Associates, Inc.®**

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February 1, 2016

Mr. George Milligan  
Lexington-Fayette Urban County Government  
200 East Main Street, 9th Floor  
Lexington, KY 40507

Re: Salt Barn Feasibility Study and Construction Documents  
Fee Proposal

Dear George,

Following our meeting on January 27, 2016 where we discussed more specifics regarding the Salt Barn project for the new site at 401 Blue Sky Parkway, we have evaluated the project scope and identified several areas where cost savings can be realized. This letter serves to detail the cost savings and present a revised fee based on our negotiated scope clarifications, which respect the unique conditions that must be considered for this site.

As you know, our originally proposed scope included items related to FEMA floodplain analysis and CLOMR and LOMR services. We have completely separated this work so no portions of scope related to it are in either our technical memorandum fee or our design fee. Our new fee details a preliminary FEMA evaluation of the site for \$15,000. This would include only the minimum surveying effort and modeling effort to determine the amount of buildable area that might be permissible on the site based on floodplain restrictions. After this evaluation, an additional scope item for \$17,500 for FEMA CLOMR and LOMR would be required should the project proceed to a point that FEMA map revisions would be necessary.

In addition to fully separating the FEMA-related services, we have also made several adjustments in our project delivery approach based on our discussion from January 27, 2016. These adjustments have in turn facilitated a reduction in our overall technical memorandum and design fees for the project. The following lists the adjustments to scope we are proposing:

1. The existing wastewater treatment plant has been formally decommissioned and no additional regulatory requirements remain for utilization of the site for this project.
2. Demolition of the remaining structures including any associated hazardous materials investigations will be addressed separately by LFUCG, not included in the project scope.
3. Project scope does not include requirements for CCTV security systems or a backup generator.
4. Design approach will rely on previous structure choices from the Athens-Boonesboro Road site for brine tanks. Reusing the same structure choices will result in design efficiencies for structural design of containment areas, foundations, and slabs.
5. The salt barn selection from previous Athens-Boonesboro Road site will be used as the basis for design documentation, eliminating the need for evaluation of three structure manufacturers.
6. A performance specification will be accepted for the prefabricated office trailer requirement.

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7. Front-End Contract Specifications will be drafted and detailed by LFUCG and not included in our scope of services. Technical specifications will remain in our services.
8. Reduction in the assumed complexity of site design, which includes removing scope for the following:
  - a. Retaining walls.
  - b. Special structure designs for stormwater and utilities.
  - c. Sanitary sewer relocations and/or modification to the existing Blue Sky pump station.
  - d. Pavement design(s), which will be addressed in additional geotechnical services.
  - e. Alternate first flush stormwater designs. Controlled release of first flush runoff will be permitted into the existing pump station on-site such that no alternate design will be required.
9. Geotechnical subconsultant services were removed from scope.
10. Environmental overview of existing site was removed from scope.

It should be noted that because of potentially unknown implications associated with site-related floodplain and uncontrolled fill conditions, there is a possibility that some of the scope items noted above may be required at a later phase of design. The initial feasibility study portion of the project will serve to identify and outline any such additional requirements so they may be addressed responsibly as the project progresses.

With the above noted clarifications the following summarizes our modified fee proposal:

Technical Memorandum	\$32,500
Final Design	\$42,000
Bidding	\$5,000
Construction-related Services	<u>\$16,000</u>
<b>Subtotal</b>	<b>\$95,500</b>

Additional Phases:

Preliminary FEMA evaluation	\$15,000
FEMA CLOMR/LOMR	<u>\$17,500</u>
<b>Total</b>	<b>\$128,000</b>

We look forward to the opportunity to further discuss any questions you may have regarding these proposed modifications to scope and fee. Thank you for this opportunity and we look forward to assisting LFUCG in realizing its final objectives for this project.

Sincerely,

STRAND ASSOCIATES, INC.®

Michael A. Woolum, P.E., P.L.S.  
 Vice President

c: Brian Marcum, LFUCG Division of Central Purchasing