



September 24, 2010

Mr. Ed Wilmes
Director, Public Works and Engineering
Village of Orland Park
15655 Ravinia Avenue
Orland Park, IL 60462

Re: Professional Engineering Services
143rd & LaGrange Watermain Improvements - Resident Engineering

Dear Mr. Wilmes,

At your request, we are including here our estimated construction engineering costs to complete the 143rd Street & LaGrange Road Watermain Improvement project.

Our original estimate of fee in our March 2, 2010 Task Order for this work was \$139,552.00 and was based on a final completion and closeout date of August 14, 2010. Through August 14, 2010, we have accrued approximately \$171,000.00 in fees. The increase from our original estimate was due to:

- Additional hours expended for CM tasks associated with contaminated soils that were unknown at the time our original Task Order proposal. These tasks include:
 - numerous meetings and extensive correspondence to evaluate the encountered contaminated soil conditions and to develop action plan solutions to contend with these soils
 - negotiating at least 3 different scenarios and pricing alternates related to who would act as the *Generator* of the contaminated soils, who would dispose of these soils and how the soils would be properly disposed
 - evaluated and negotiated several requests for extra compensation and delay claims related to contaminated soils – the total cost for disposal of the soils was negotiated from nearly \$1.0M to approximately \$350,000
 - managing, monitoring and documenting contractors, soil testing firms, landfills and agencies required to legally dispose of contaminated soils
- Extra effort spent managing the low bid watermain contractor who wasn't familiar with the level of service expected by the Village of Orland Park. This contractor hadn't worked for the Village before. Many of the expected services, including detailed scheduling, documentation, and extra coordination with the Village, businesses and residents, needed to be explained to the contractor and compliance needed to be closely monitored.
- Utility relocation coordination and observation for utility work performed during the watermain project
- Easement survey and layout
- CCI sign purchasing

Page 2 of 2
Mr. Ed Wilmes
September 24, 2010

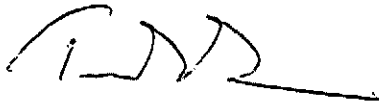
A tabulation of the original estimated fees through August 14, 2010 and the actual fees expended are detailed in **Exhibit A**.

In addition to the added scope work performed, the duration of the contractor's construction contract has been extended due to delays that were outside the contractor's control. The extension of contract time results in additional day-to-day project management by V3. We now anticipate all watermain related work and closeout tasks will be completed by October 15, 2010. A tabulation of the estimated additional fees due to the project's extended duration is detailed in **Exhibit B**.

We request that the previously approved not to exceed value of \$139,552.00 be increased to a value not to exceed \$232,400.00 to complete this task. This increase should account for the increased level of effort associated with the added scope of work and will allow V3 to staff the project for the extended contract duration. The total revised fee will not be exceeded without approval from the Village of Orland Park.

These services will be charged against our original Construction Oversight Professional Services contract with the Village of Orland Park (Purchase Order #052393).

Sincerely,
V3 Companies of Illinois, LTD.

A handwritten signature in black ink, appearing to read 'Tom R. Valaitis', with a stylized flourish at the end.

Tom R. Valaitis, P.E.
Division Director, Construction Engineering

EXHIBIT A - Original Proposed Fees vs. Actual Fees Incurred - Through 8/14/10

ESTIMATED / ORIGINAL SCOPE

Role	HOURS per 4 Week Period Ending								Total Hours	Hourly Rate	Direct Labor	TOTAL w/ 2.8 DLM
	3/27/2010	4/24/2010	5/22/2010	6/19/2010	7/17/2010	8/14/2010	9/11/2010	10/9/2010				
Division Director	4	8	8	8	8	4			40	\$ 70.00	\$ 2,800.00	\$ 7,840.00
Sr. Project Manager	40	40	40	30	20	10			180	\$ 49.70	\$ 8,946.00	\$ 25,048.80
Resident Engr	120	160	180	180	160	120			920	\$ 38.00	\$ 34,960.00	\$ 97,888.00
Project Engr									0	\$ 30.87	\$ -	\$ -
Intern Tech.									0	\$ 16.54	\$ -	\$ -
Survey (chief + 1)									0	\$ 52.92	\$ -	\$ -

ESTIMATED REIMBURSABLE EXPENSES: \$ 8,775.00

TOTAL ORIGINAL ESTIMATED FEE FOR WATERMAIN RESIDENT ENGINEERING THROUGH 8/14/10: \$ 139,551.80

ACTUAL / REVISED SCOPE

Role	HOURS per Period Ending								Total Hours	Hourly Rate	Direct Labor	TOTAL w/ 2.8 DLM
	3/27/2010	4/30/2010	5/29/2010	6/26/2010	7/31/2010	8/14/2010	9/11/2010	10/9/2010				
Division Director	12	12	12	10	8	3			57	\$ 70.00	\$ 3,990.00	\$ 11,172.00
Sr. Project Manager (Watermain Install.)	65	92	108	116	91	32			504	\$ 50.70	\$ 25,552.80	\$ 71,547.84
Resident Engr	84	125							209	\$ 43.00	\$ 8,987.00	\$ 25,163.60
Project Engr	5	11	145	70	39	87			357	\$ 29.45	\$ 10,513.65	\$ 29,438.22
Intern Tech.									0	\$ 16.54	\$ -	\$ -
Survey (chief + 1)									0	\$ 52.92	\$ -	\$ -
Sr. Project Manager (Contam. Soils & Util. Coord.)	0	12	32	32	40	24			140	\$ 50.70	\$ 7,098.00	\$ 19,874.40

ACTUAL REIMBURSABLE EXPENSES: \$ 7,051.00

SURVEY EASEMENT LAYOUT BILLED THROUGH WM CONTRACT: \$ 3,576.00

CCI SIGNS BILLED THROUGH WM CONTRACT: \$ 3,546.00

ACTUAL FEE INCURRED FOR WATERMAIN RESIDENT ENGINEERING THROUGH 8/14/10: \$ 171,369.06

EXHIBIT B - Proposed Total Fees due to Time Extension - 8/14/10 through 10/15/10

ESTIMATED EXTRA FEE FOR EXTENDED DURATION	HOURS per 4 Week Period Ending								Total Hours	Hourly Rate	Direct Labor	TOTAL w/ 2.8 DLM
	3/27/2010	4/24/2010	5/22/2010	6/19/2010	7/17/2010	8/14/2010	9/11/2010	10/15/2010				
	Role											
	Division Director					1	2	2				
	Sr. Project Manager					63	126	80				
	Resident Engr					87	104	48				
	Project Engr											
	Intern Tech.											
	Survey (chief + 1)											

ESTIMATED REIMBURSABLE EXPENSES: \$ 2,190.00

ESTIMATED FEE FOR WATERMAIN RESIDENT ENGINEERING - 8/14/10 THROUGH 10/15/10: \$ 61,031.72

TOTAL ESTIMATED FEE

ACTUAL FEE INCURRED FOR WATERMAIN RESIDENT ENGINEERING THROUGH 8/14/10 (Exhibit A): \$ 171,369.06

ESTIMATED FEE FOR WATERMAIN RESIDENT ENGINEERING - 8/14/10 THROUGH 10/15/10 (Exhibit B): \$ 61,031.72

TOTAL ESTIMATED FEE TO COMPLETE WATERMAIN RESIDENT ENGINEERING TASK: \$ 232,400.78