



SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL  
BOARD OF DIRECTORS MEETING  
May 15, 2013 7:30 am

Metro-East Park and Recreation District Office  
104 United Drive, Collinsville, Illinois 62234

1. Call to Order  
*Jim Pennekamp, President*
2. Approval of Minutes of April 17, 2013
3. Public Comment on Pending Agenda Items
4. Program Status Report  
*Les Sterman, Chief Supervisor*
5. Budget Update and Approval of Disbursements
6. Design and Construction Update  
*Jay Martin, AMEC Environment & Infrastructure*
7. Amendment Two to AMEC Work Order 8 – Construction Management  
For Project Packages 2a, 2b, 4, and 6  
*Les Sterman, Chief Supervisor*
8. Quality Control for Council Construction Projects  
*Les Sterman, Chief Supervisor*
9. Proposal to Provide Federal Government Relations  
and Advocacy Services  
*Les Sterman, Chief Supervisor*
10. Selection of Diversity Program Manager  
*Les Sterman, Chief Supervisor*
11. Update from Corps of Engineers  
*Tracey Kelsey. U.S. Army Corps of Engineers*
12. Public Comment

AGENDA

13. Other Business  
Executive Session (if necessary)
14. Adjournment

**Next Meeting: June 19, 2013**

# AGENDA

## MINUTES

### SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL BOARD OF DIRECTORS MEETING

April 17, 2013

The regular meeting of the Board of Directors was held at the Metro-East Park and Recreation District Office, 104 United Drive, Collinsville, Illinois at 7:30 a.m. on Wednesday April 17, 2013.

#### Members in Attendance

James Pennekamp, President (Chair, Madison County Flood Prevention District)  
Dan Maher, Vice-President (Chair, St. Clair County Flood Prevention District)  
John Conrad, Secretary/Treasurer (Chair, Monroe County Flood Prevention District)  
Alvin Parks, Jr., St. Clair County Flood Prevention District  
Paul Bergkoetter, St. Clair County Flood Prevention District  
Bruce Brinkman, Monroe County Flood Prevention District  
Tom Long, Madison County Flood Prevention District

#### Members Absent

Ron Motil, Madison County Flood Prevention District  
Ronald Polka, Monroe County Flood Prevention District

#### Others in Attendance

Delbert Wittenauer, Monroe County Board Chair  
Les Sterman, SW Illinois FPD Council  
Kathy Andria, American Bottom Conservancy  
Rich Connor, Levee Issues Alliance  
Lou Dell'Orco, U.S. Army Corps of Engineers  
Walter Greathouse, Metro-East Sanitary District  
Mark Harms, SCI Engineering, Inc.  
Gary Hoelscher, Hoelscher Engineering  
Mike Huber, KdG Engineers  
Charles Juneau, Juneau Associates Inc., PC  
Joe Kellett, U.S. Army Corps of Engineers  
Tracey Kelsey, U.S. Army Corps of Engineers  
Jay Martin, AMEC Environment & Infrastructure  
Jon Omvig, AMEC Environment & Infrastructure  
Dale Stewart, Southwestern Illinois Building and Trades Council

#### **Call to order**

President Jim Pennekamp called the meeting to order.

#### **Approval of minutes of March 20, 2013**

A motion was made by Dan Maher, seconded by Paul Bergkoetter, to approve the minutes of the March 20, 2013. Mr. Conrad called the roll and the following votes were made on the motion:

Mr. Polka - absent  
Mr. Brinkman – Aye  
Mr. Bergkoetter - Aye  
Mr. Conrad - Aye  
Mr. Long – Aye  
Mr. Maher – Aye  
Mr. Motil – absent  
Mr. Parks – absent  
Mr. Pennekamp – Aye

The motion was approved.

### **Public Comment on Pending Agenda Items**

Mr. Pennekamp asked if there were any comments from the public on any agenda item on today's agenda. There were none.

### **Program Status Report**

Mr. Pennekamp asked Mr. Sterman to provide a status report for the project.

Mr. Sterman said that we are continuing to work both to submit all of the final Sec. 408 review packages to the Corps as well as to resolve comments on those packages that have already been submitted. While the initial approval was given for Bid Package 2a, a pump station in the Fish Lake district, additional questions were raised following the subsequent submittal and review of Bid Package 6 for berms and relief wells in the area. The primary questions concerned how the flow from the proposed relief wells was reconciled with the pump station capacity. Because of the sequence of submissions (pump stations submitted prior to berms/relief wells), there was a potential for additional questions concerning the alignment of these packages. AMEC has been responding to those questions and we expect that Bid Package 2a will be approved imminently and Bid Package 6 soon thereafter, enabling us to advertise those packages for bid in May. However, the questions raised in the review of Bid Package 6 suggest the need for some revisions of Bid Packages 3 and 5, originally scheduled for mid-April, so they have now been pushed off by a couple of weeks.

The Council's design process for Bid Package 7 (for cutoff walls) has been put on hold because the Corps is moving ahead with the design of these project elements in accordance with our design agreement with them. Upon receipt of the information that we requested from the Corps concerning the scope, budget and schedule for the project, we agreed to provide the initial installment of cost-share so that they could begin the design process. Later on in the agenda, Mr. Sterman said that he will ask for approval to provide the remaining cost-share for the design. Other issues remain to be resolved, particularly concerning labor agreements, prior to our agreement to provide cost-share for construction.

Mr. Sterman described a March 2 meeting at the offices of the Corps of Engineers concerning the use of Project Labor Agreements on the portions of the project undertaken by the Corps. The meeting was organized by the Leadership Council and included business, civic and labor leaders,

along with local contractors experienced in the use of PLAs. Leadership from the Corps St. Louis District also attended, along with procurement and construction staff. The Corps has an internal procedure that describes how they would go about considering the use of a PLA for a construction job. They appeared willing to begin advancing the process, but indicated that there are a number of hurdles to overcome before a PLA could be considered. The first step in the Corps procedure is to do a “market survey” requesting comments from the contracting community on the use of a PLA for the project. That request for comments was issued on April 12, with responses due back by May 13. We will respond to that request.

The President’s budget proposal, released on April 10, included funds for the Wood River and MESD projects (\$20.86 million and \$12.85 million respectively). Should these amounts be appropriated by Congress, they should be sufficient to accomplish the cutoff wall work in Wood River and other projects in MESD (possibly a cutoff wall as well).

The property appraisal and acquisition process is now underway for bid packages 2a and 6. The hope is that we can acquire the property rights quickly, so those projects can proceed without delay.

We are awaiting a revised wetland mitigation proposal from Republic Services, so that we can satisfy one of the conditions of our Sec. 404 permit and begin work as quickly as possible, coinciding with the start of project construction.

Given the foregoing progress, Mr. Sterman said that there are several items that he will propose to advance at the April Board meeting, including commitments of additional cost-share for design work on the Wood River Cutoff wall, consideration of the Project Partnership Agreement for the Wood River Project, and permission to advertise for bids for construction packages 2a and 6.

Mr. Sterman said that the Senate was in the process of moving ahead with a Water Resources Development Act. While there are some provisions that may be marginally helpful to us, the bill does not address our most significant problem, which is the Sec. 408 review process.

A motion was made by Tom Long, seconded by Dan Maher, to accept the Program Status Report for April, 2013. Mr. Conrad called the roll and the following votes were made on the motion:

Mr. Polka - absent  
Mr. Brinkman – Aye  
Mr. Bergkoetter - Aye  
Mr. Conrad - Aye  
Mr. Long – Aye  
Mr. Maher – Aye  
Mr. Motil – absent  
Mr. Parks – absent  
Mr. Pennekamp – Aye

The motion was approved unanimously by those present.

## **Budget Update and Approval of Disbursements**

Mr. Sterman said that the financial statement for March 2013 prepared by our fiscal agent, CliftonLarsonAllen was provided in your packet.

Accrued expenditures for the current fiscal year are \$6,204,115 while revenues amounted to \$6,129,558 showing a deficit of \$74,557. Expenditures included a surplus for the year held by the bond Trustee of \$2,215,388 through the end of March that was returned to the counties as required by the bond indenture. A total of approximately \$ 12,940,373 is now held by the counties in their respective FPD sales tax funds and is available for the Council's use on the project.

Monthly sales tax receipts for January 2013 (the latest month reported by the Illinois Department of Revenue) were up by about 1.83% year over year, which reverses a seven month pattern of small monthly declines, which is good news, although it is still marginally less than the 3% annual increases assumed in our financial plan. Perhaps the January tax receipts will signal a new upward trend, however.

Total disbursements for the month were \$302,235.21. The largest payments were to AMEC and its subcontractors for design and construction management services, to the Corps of Engineers for cost-share relating to the design of the Wood River cutoff walls, and for several months of legal fees from Husch Blackwell relating to property acquisition, permitting and other matters. The closing balance on March 31 was \$688,897.43.

Mr. Pennekamp asked how we get access to the amounts that are held by the counties in their flood prevention sales tax funds. Mr. Sterman explained that when we get an invoice from a vendor, we would in turn invoice each county for their pro-rata share of the costs, and when we receive the funds from all of the counties, we pay the invoice. It is a cumbersome procedure that we hope can be changed in the future.

A motion was made by Dan Maher, seconded by Paul Bergkoetter, to accept the budget report and approve the disbursements for March 2013. Mr. Conrad called the roll and the following votes were made on the motion:

Mr. Polka - absent  
Mr. Brinkman – Aye  
Mr. Bergkoetter - Aye  
Mr. Conrad - Aye  
Mr. Long – Aye  
Mr. Maher – Aye  
Mr. Motil – absent  
Mr. Parks – absent  
Mr. Pennekamp – Aye

The motion was approved unanimously by those present.

Mr. Parks arrived at this time.

### **Design and Construction Update**

Mr. Pennekamp called on Jay Martin, AMEC's project manager, to provide a report. Mr. Omvig used a PowerPoint® presentation (attached) to illustrate his remarks. He described progress on the following items that occurred over the last month:

- **BP #2A – *Fish Lake Pump Station***
  - All comments closed, Advertise & Issue for Bid after USACE issuance of 408 permission
- **BP #7 – *Deep and Shallow Cutoff Walls***
  - Received and tabulated all comments from the USACE and the SAR Team
  - AMEC Team holding pending USACE design
- **BP #6 – *PDP/FL Seepage Improvements***
  - Submitted to USACE on 1/22/2013
  - Comments received from USACE on 2/21/2013
  - 33 Comments in DR CHECKS
  - Responses posted April 15, 2013
- **BP #4 – *MESD Seepage Improvements (Conoco Phillips)***
  - Submitted to USACE on 2/15/2013
  - Comments due from USACE on 3/20/2013
    - 22 Comments in DR CHECKS
  - Several meetings/conference calls to discuss resolution
  - Schedule next meeting week of April 22
- **BP #2B - *WR/MESD/PDP Pump Stations***
  - Submitted to USACE on 2/15/2013
  - Comments due from USACE on 3/21/2013
    - 138 Comments in DR CHECKS
  - Several meetings/conference calls to discuss resolution
  - Schedule next meeting week of April 22

Mr. Martin discussed some minor alterations to the project schedule because resolution of comments on bid packages 2B and 6 has caused us to postpone submitting BP 5 and 3. To better manage the 408 process we will schedule a meeting to present future packages to the USACE prior to actual 408 submittal. Our goal is to reduce the number of comments and the effort spent by both parties in reviewing and responding. We will however, meet the 2015 deadline for FEMA submittal.

Mr. Martin then described all of the current deadlines and the status of each of the bid packages and described the next steps for the project. Bid packages 2a and 6 will be advertised next month. We will continue to monitor the Corps' progress on the design of the deep and shallow cutoff walls in Wood River. We may also restructure sequencing of bid packages to mesh better with the USACE schedule for their design. Securing information essential to the certification process in the Mel Price and Chain of Rocks levee reaches will also be a priority in the next month.

Mr. Wittenauer asked whether high water would affect our construction schedule. Mr. Martin said that high water has always been a risk, but we have planned enough room in the schedule to minimize that risk. Mr. Wittenauer asked how such a delay would affect contractors on the project. Mr. Martin said that this is a typical problem and we will handle it appropriately.

Mr. Pennekamp asked for a motion to accept Mr. Martin's progress report. A motion was made by Tom Long with a second by Alvin Parks to accept the AMEC progress report. Mr. Conrad called the roll and the following votes were made on the motion:

Mr. Polka - absent  
Mr. Brinkman – Aye  
Mr. Bergkoetter - Aye  
Mr. Conrad - Aye  
Mr. Long – Aye  
Mr. Maher – Aye  
Mr. Motil – absent  
Mr. Parks – Aye  
Mr. Pennekamp – Aye

The motion was approved unanimously.

**Authorization to Advertise Construction Packages #2a and #6 for Bid**

Mr. Pennekamp noted that the members had received the information on this item and asked if there were any questions. There were no questions.

A motion was made by Dan Maher with a second from Bruce Brinkman to authorize the Chief Supervisor to advertise Bid Packages #2a and #6 for bids. Further Board approval will be sought before any bid is awarded. Mr. Conrad called the roll and the following votes were made on the motion:

Mr. Polka - absent  
Mr. Brinkman – Aye  
Mr. Bergkoetter - Aye  
Mr. Conrad - Aye  
Mr. Long – Aye  
Mr. Maher – Aye  
Mr. Motil – absent  
Mr. Parks – Aye  
Mr. Pennekamp – Aye

The motion was approved unanimously.



## **Commitment of Additional Cost-Share to Corps of Engineers for Wood River Cutoff Wall Projects**

Mr. Pennekamp asked Mr. Sterman to report on this item.

Mr. Sterman said that at the November, 2012 Board meeting, he was authorized to execute a Design Agreement with the Corps of Engineers so that the Council can provide the required sponsor funds to match Federal funds appropriated to carry out design activities for the Corps' project to achieve the authorized level of flood protection in the Wood River and Metro-East districts. In December, the Corps proposed that they use anticipated federal funding to undertake the design and construction of the portions of the proposed shallow and deep cutoff walls in the Wood River district that are needed to meet FEMA levee safety standards.

In December, the Board agreed to provide \$100,000 toward cost-share for design of the Wood River project. The Corps now estimates that the cost-share for the complete design of the project will be \$375,000, or 25% of the overall design cost of \$1,490,000. The Corps has now provided sufficient information to justify this cost. The Corps is proposing to do a number of additional borings since they are taking a different approach to the design process. These additional borings are the primary reason for the significant increase in costs.

Notwithstanding the unresolved questions concerning the project construction, mainly related to the final cost estimate for construction and the use of a Project Labor Agreement, Mr. Sterman said that he believes that it is prudent to proceed with design. Because further delay would jeopardize the project schedule he is recommending that the Council provide the final installment in cost-share for the design work on the Wood River cutoff walls. If we are unable to resolve construction issues, it will likely be more efficient for the Council to proceed with the Corps design than to pursue the ongoing Sec. 408 review of AMEC's design.

Mr. Long expressed his concern about the increased costs and asked whether there would be further requests for funding due to increase costs. Ms. Kelsey from the Corps indicated that this request was based on their best estimate at this time. Mr. Long said that we were handing the Corps a blank check. Mr. Sterman said that he agreed fully, but the agreements with the Federal government are not analogous to a typical contract, where a specific outcome is committed for a set price. Unfortunately, this is the arrangement and if we want to proceed we have little choice but to agree to the one-sided terms of the Corps design agreement.

Mr. Wittenauer asked what would happen if the construction cost for the Corps design goes up. Mr. Sterman said that our share of the Corps project would be 35%, so it is extremely unlikely that we would exceed our budget.

Mr. Kellett described the issues in the design process and how the Corps' approach differs from AMEC's. The Corps wants to cover all potential risks in the construction process.

Mr. Sterman said that we are reacting to a situation where the design cost has gone from \$800,000 to \$1,500,000 in the course of one month, so it is natural that we would have a concern.

Mr. Maher made a motion to authorize the Chief Supervisor to provide up to \$275,000 of additional cost-share to the Corps of Engineers in accordance with the Design Agreement for the design of shallow and deep cutoff walls in the Wood River district. Mr. Brinkman seconded the motion.

Mr. Conrad called the roll and the following votes were made on the motion:

Mr. Polka - absent  
Mr. Brinkman – Aye  
Mr. Bergkoetter - Aye  
Mr. Conrad - Aye  
Mr. Long – Aye  
Mr. Maher – Aye  
Mr. Motil – absent  
Mr. Parks – Aye  
Mr. Pennekamp – Aye

The motion was approved unanimously.

#### **Project Partnership Agreement Wood River Design Deficiency Correction**

A **Project Partnership Agreement (PPA)** is an agreement between the Government and a non-Federal sponsor (state, municipal government, flood control district, port authority, etc.) for construction of a water resources project. It describes the project and the responsibilities of the Government and the non-Federal sponsor in the cost sharing and execution of work. These agreements (or their predecessor Project Cooperation Agreements) have been executed between the sponsor levee districts in our area and the Corps of Engineers for a number of previous construction and reconstruction projects.

While we have not as yet made any commitment to participating in the proposed Corps construction project for the shallow and deep cutoff walls in the Wood River District, I believe it is useful to have all the required agreements in place should we choose to move forward. It typically takes a while for the Corps to execute a PPA, so having the agreement in-hand with the authority to execute it could avoid future delays.

The Corps has a model agreement that applies in this situation. Typical for the Corps, the model agreement is difficult or impossible to modify. However, as a practical matter, it is an ongoing agreement where both parties need to meet their funding and other responsibilities or the contract is terminated. Like our Design Agreement with the Corps for this project, we can choose to implement the contract through a Board decision to provide cost-share funding. In the absence of that funding, work will not proceed and our further responsibility under the terms of the agreement is limited.

A draft of the contract is attached.

Mr. Sterman said that he asked our attorneys at Husch Blackwell to review the PPA to advise us of substantive conditions of which we should particularly be aware. While they highlighted

several provisions that are described in your memo, they note that these provisions are identical to those included in PPAs or PCAs for other area levee projects.

Mr. Parks made a motion to authorize the Board President and the Chief Supervisor to execute the Project Partnership Agreement with the U.S. Army Corps of Engineers for the Wood River Design Deficiency Correction Project. Mr. Maher seconded that motion.

Mr. Pennekamp noted a mistake on page 27 with an incorrect title for the President of the Council.

Mr. Conrad called the roll and the following votes were made on the motion:

Mr. Polka - absent  
Mr. Brinkman – Aye  
Mr. Bergkoetter - Aye  
Mr. Conrad - Aye  
Mr. Long – Aye  
Mr. Maher – Aye  
Mr. Motil – absent  
Mr. Parks – Aye  
Mr. Pennekamp – Aye

The motion was approved unanimously.

### **Corps of Engineers Update**

Mr. Pennekamp called on Tracey Kelsey from the Corps of Engineers to make a report.

Ms. Kelsey described the amounts in the President’s budget for the Wood River and MESD projects. There was some discussion about the effect of being included in the President’s budget. Mr. Kellett said that it was typical for those amounts to hold in the final appropriations.

Ms. Kelsey noted that contracts for borings had been executed and the Corps is on schedule to complete the design in October and a construction contract awarded in December.

The Corps is also exploring potential areas in MESD where work can be done that contributes to the Council’s project.

The market research on the PLA has been initiated by the Corps.

Mr. Wittenauer asked whether the Corps would have to redo the design for any MESD project that they undertook. Ms. Kelsey said that there didn’t appear to be any projects that would exactly correspond to our design. However, there might be areas where the Corps project would eliminate certain features that we were planning, thereby saving us some costs.

Mr. Sterman said that we are proceeding cautiously, because we already have a design that we can afford that will likely be approved in the next few months.

Mr. Pennekamp asked about the “market research” on PLAs. Ms. Kelsey described the notice that went out from the Corps. Discussion followed about the Corps’ decision-making process and the nature of the “market research.” Mr. Pennekamp concluded that he was still unsure about how the Corps would come to a decision.

A motion was made by Mr. Long with a second by Mr. Motil to accept the report by the Corps of Engineers. Mr. Conrad called the roll and the following votes were made on the motion:

Mr. Polka - absent  
Mr. Brinkman – Aye  
Mr. Bergkoetter - Aye  
Mr. Conrad - Aye  
Mr. Long – Aye  
Mr. Maher – Aye  
Mr. Motil – absent  
Mr. Parks – Aye  
Mr. Pennekamp – Aye

The motion was approved unanimously.

#### **Public Comment**

There was no additional public comment.

#### **Other Business**

Mr. Sterman announced that Joe Kellett would be leaving us for a tour of duty in Afghanistan. Mr. Kellett introduced Lou Dell’Orco, who would be taking his position on a temporary basis during his absence.

Mr. Parks asked when the project would be finished. Mr. Sterman responded that we are on schedule to complete the project by the end of 2015.

#### **Adjournment**

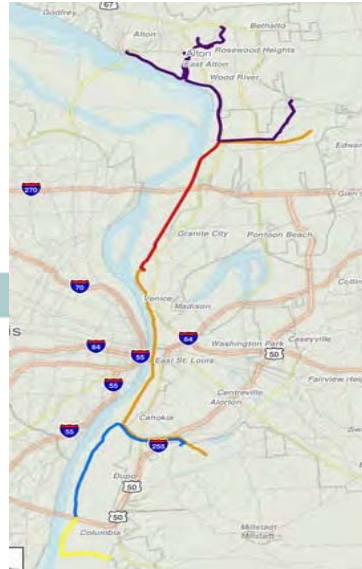
Motion made by Mr. Long, seconded by Mr. Maher to adjourn the meeting. The motion was approved unanimously by voice vote, all voting aye.

Respectfully submitted,

John Conrad,  
Secretary/Treasurer, Board of Directors



**Progress Report**  
**April 17, 2013**  
**SW IL Levee System**  
By Jay Martin



**Update status of Bid Packages**



- BP #2A – ***Fish Lake Pump Station***
- All comments closed, Advertise & Issue for Bid after USACE issuance of 408 permission
  
- BP #7 – ***Deep and Shallow Cutoff Walls***
- Received and tabulated all comments from the USACE and the SAR Team
- AMEC Team holding pending USACE design
  
- BP #6 – ***PDP/FL Seepage Improvements***
- Submitted to USACE on 1/22/2013
  - Comments received from USACE on 2/21/2013
  - 33 Comments in DR CHECKS
  - Responses posted April 15, 2013

## Update status of Bid Packages



- BP # 4 – **MESD Seepage Improvements (Conoco Phillips)**
- Submitted to USACE on 2/15/2013
  - Comments due from USACE on 3/20/2013
  - 22 Comments in DR CHECKS
  - Several meetings/conference calls to discuss resolution
  - Schedule next meeting week of April 22
  
- BP #2B - **WR/MESD/PDP Pump Stations**
- Submitted to USACE on 2/15/2013
  - Comments due from USACE on 3/21/2013
  - 138 Comments in DR CHECKS
  - Several meetings/conference calls to discuss resolution
  - Schedule next meeting week of April 22

3

## Adjustment in schedule



- Resolution of comments on BP 2B and 4 has caused us to postpone submitting BP 5 and 3.
  
- To better manage the 408 process we will schedule a meeting to present future packages to the USACE prior to actual 408 submittal. Goal – reduce the number of comments and the effort spent by both parties in reviewing and responding.
  
- Consequence - our review indicates we can meet the 2015 for FEMA submittal.

4







## Update status of Bid Packages



- BP # 03 – **WR Seepage Improvements (Excluding Cut Off Walls)**
  - Target date to have presented to the USACE...April 25th
  - New 408 submittal date May 10th
  
- BP # 05 – **MESD Seepage Improvements (MESD excluding Conoco Phillips)**
  - Target date to have presented to the USACE...April 25th
  - New 408 submittal date May 10th



Bid Package	Task	Start Date	Finish Date
2A	Final Design - Pump Stations (FL Only)	1/12/2012	12/28/2012
	USACE 408 Permit Review	8/6/2012	8/31/2012
	408 Permit Approval		4/30/2013
6	Final Design - Relief Wells & Berms (PDP/FL)	5/15/2012	4/22/2013
	USACE 408 Permit Review	1/22/2013	2/21/2013
	408 Permit Approval		4/30/2013
2B	Final Design - Pump Stations (WR, MESD, PDP)	8/15/2012	5/20/2013
	USACE 408 Permit Review	2/18/2013	3/21/2013
	408 Permit Approval		5/20/2013
4	Final Design - Clay Blanket, Relief Well Sys. (MESD)	10/8/2012	4/17/2013
	USACE 408 Permit Review	2/15/2013	3/20/2013
	408 Permit Approval		4/30/2013

Bid Package	Task	Start Date	Finish Date
3	Final Design - Relief Wells, Berm, Blanket Drain (WR)	8/20/2012	6/12/2013
	USACE 408 Permit Review	<u>4/12/2013</u> 	5/15/2013
	408 Permit Approval		6/12/2013 
5	Final Design - Clay Blanket, Relief Well Sys. (MESD)	10/9/2012	6/7/2013
	USACE 408 Permit Review	<u>4/5/2013</u> 	5/8/2013
	408 Permit Approval		6/7/2013 
7	Final Design - Cutoff Walls (WR)	8/9/2012	12/17/2012
	USACE 408 Permit Review	12/17/2012 	4/17/2013
	408 Permit Approval		<u>5/17/2013</u> 

## Next Steps

- Advertise BP 2A and 6 next month.
- USACE ownership of Deep and Shallow cutoff walls.
- Restructure sequencing of Bid Packages to mesh better with the USACE schedule for their design
- Advance process regarding Mel Price and COR certification
- What solutions can the USACE design/construction that support achieving the FEMA mark? Options in MESD?



Thanks...any  
questions?



# Metro East Levees System

## Wood River

- Funding
- Design
  - Awarded task orders for LWR riverside and landside borings. Currently negotiating UWR
  - Initiated drilling on 4/15
  - Initiated lab testing 4/16
  - Initiated design efforts 4/15
- Schedule
- PPA execution

## MESD

- Funding
- Identify project work
- Schedule
- PPA execution

## PLA

- Initiated Market Research 4/12/13
- Review Response 5/14-6/3/13
- PLA Determination 6/4/13



Memo to: Board of Directors  
From: Les Sterman  
Subject: Program Status Report for May, 2013  
Date: May 13, 2013

AMEC continues to submit Sec. 408 review packages to the Corps as well as working to resolve comments on those packages that have already been submitted. Final approval has already been given by the Corps for Bid Package 2a, a pump station in the Fish Lake district, and approval for Bid Package 6 for berms and relief wells in the area is expected very soon. Initial Sec. 408 submittals of all bid packages have been completed as of today. Final submissions to resolve Corps review comments on these packages are also happening over the next month, so good progress is being made on the review process.

Following the last Board meeting, I remitted an additional \$275,000 to the Corps so they could proceed quickly on the design work for the Wood River cutoff walls. High water elevations have prevented work on some additional borings planned by the Corps, but those conditions should abate in the next few days.

Other issues remain to be resolved concerning labor agreements and costs prior to our agreement to provide cost-share for construction. In response to the Corps' "market survey" about project labor agreements, the Council made a comprehensive submittal on May 8. The deadline for submissions was May 13 and a number of labor, business and civic organizations are making known their support for the use of a PLA on this project. In sum, our response to the Corps' market survey documented that there have been literally hundreds of projects, large and small, public and private, that have been successfully completed using a PLA. The Corps is planning to make a decision on the use of a PLA in early June. A copy of our submittal (without the voluminous attachments) is attached to this memo.

We are in discussions with the Corps on the most optimal way to spend expected appropriations in MESD. The opportunities are more limited because there are few, if any, places where the Corps project aligns with the Council's. It may be better for the Corps to work in areas where we don't have improvements planned, but that strategy is currently under discussion.

Following approval by the Board at the April meeting, we advertised for bids for packages 2a and 6. There will be pre-bid conferences this Friday, May 17 and bid openings on June 11. These events will all take place at the Council's offices. I anticipate getting approval of winning

bids at the June Board meeting, after which approval will be sought from the county boards as required by our authorizing statute.

In order for construction to start on the projects that are currently out for bid, we will need to complete any required property acquisition and make progress in completing our final wetland mitigation plan. Property appraisals and negotiations are ongoing, but we have reached agreement with any property own as of yet. We are still working on finalizing our agreement with Republic Services so that their contractor, SCI Engineering, can complete the design and cost estimate necessary to allow the mitigation plan to proceed.

Optimistically, construction can begin in early July, but that will happen only if the foregoing conditions can be met.

Only one proposal was received in response to our solicitation for a Diversity Program Manager. I will report on that proposal at the upcoming Board meeting. Fortunately, the proposal came from a well-qualified firm, but there remain cost issues to work out before I can recommend engaging the firm over the long term. There is some urgency beginning the outreach work that is a big part of our Minority Business and Workforce Utilization Plan, since the bidding process is now underway and construction will begin shortly.

The Senate version of the Water Resource Development Act has moved to the floor for consideration and is expected to be approved soon. The House is moving along a more deliberate schedule with their version of the bill. The Senate bill has a few provisions that address some of our interests, thanks to advocacy by Sen. Durbin, although there are other provisions that I believe will further slow levee improvements in general. I would certainly like for the Council to weigh in as the House bill is being developed. On this month's agenda, I am proposing to hire some representation in Washington that will help us do that.



**Southwestern  
Illinois  
Flood Prevention  
District Council**

104 United Drive  
Collinsville, IL 62234

618-343-9120  
Fax 618-343-9132

www.floodpreventiondistrict.org

May 8, 2013

Via e-mail and USPS: [barrietta.killiebrew@usace.army.mil](mailto:barrietta.killiebrew@usace.army.mil)

Barrietta Killiebrew  
US Army Corps of Engineers St. Louis District  
1222 Spruce Street, Room 4.207  
St. Louis, Missouri 63103

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Les Sterman  
Chief Supervisor of  
Construction and the Works

Re: Project Labor Agreement Inquiry Solicitation Number: W912P913RPLA1

Dear Ms. Killiebrew:

The Southwestern Illinois Flood Prevention District Council (the FPD) is the local sponsor of the subject project, the shallow and deep cutoff walls in the Wood River Drainage and Levee District. The FPD is authorized by Illinois statute to spend the proceeds of a local dedicated sales tax for the purpose of flood protection in three counties – Madison, St. Clair and Monroe. We anticipate providing the cost-share funding and other resources and assets to the Corps of Engineers for the purposes of accomplishing the subject project. While the FPD may not meet the traditional definition of the “construction community” as inferred in your inquiry, the organization has a direct fiduciary and policy interest in the Corps’ conduct and practice in implementing the project. We therefore hope that you will consider our comments as a decision is made about the use of a project labor agreement (PLA) on the project.

In addition to the project described in the solicitation inquiry, the FPD is engaged in a cooperative regional project to improve the performance of the Mississippi River levee system in the three counties in which we are authorized to work. The Wood River cutoff walls are an integral part of the overall plan that we have developed for the regional project. It should be noted that the FPD, as a matter of policy, is requiring all contractors working on the project to execute a project labor agreement with the Southwestern Illinois Building Trades Council (SIBTC). We have concluded that the PLA is essential to completing this time-critical regional project on time and within a limited budget.

There is a long, successful, and instructive history of the use of this PLA in our area for capital projects of all kinds. The responses to this inquiry describe some of that history, but we would urge the Corps to consult with the SIBTC and other public agencies (most notably the Illinois Department of Transportation) before reaching

*a regional partnership to rebuild Mississippi River flood protection*

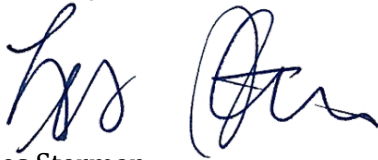
Ms. Barrietta Killiebrew  
May 8, 2013  
Page 2

a conclusion as to the applicability of a PLA to this project. We also urge the Corps to reach beyond the "construction community" to understand the views of other key stakeholders to assess the desirability and efficacy of the PLA in our community.

Based on the experience of the FPD and the accumulated experience of public and private owners involving hundreds of construction projects in our area, we conclude that a project labor agreement for the subject project is in the best interest of the public and the federal government and a careful review of the attached material should lead the Corps of Engineers to reach the same conclusion.

Thank you for the opportunity to submit comments in response to your inquiry.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Les Sterman', written over a horizontal line.

Les Sterman  
Chief Supervisor of Construction and the Works

cc: FPD Board members  
Alan Dunstan, Madison County Board Chairman  
Mark Kern, St. Clair County Board Chairman  
Delbert Wittenauer, Monroe County Board Chairman  
Ellen Krohne, Leadership Council Southwestern Illinois  
Dale Stewart, Southwestern Illinois Building Trades Council  
Lou DellOrco, U.S. Army Corps of Engineers  
Tracey Kelsey, U.S. Army Corps of Engineers  
Michael Feldmann, U.S. Army Corps of Engineers  
Jon Omvig, AMEC Environment & Infrastructure

Response to Project Labor Agreement Inquiry  
Solicitation Number: W912P913RPLA1

Submitted by the:  
Southwestern Illinois Flood Prevention District Council  
May 6, 2013

**(1) Should PLAs be executed on this selected contract in IL and surrounding area?**

*Yes. There has been a very strong record of PLA use on major public and private projects in Southwestern Illinois (see Attachments A-C). There have been no work stoppages on any of these projects due to disputes with or between labor organizations. PLAs have contributed to more predictable schedules and lower costs. The PLA has effectively made the project workforce into a partner in delivering a successful project outcome.*

**(2) Are there concerns by prime contractors on the availability of skilled construction labor?**

*The PLA will assure a steady supply of skilled and highly trained workers for the project. Local and national PLAs have been used for some of the very largest construction projects in the region, requiring a diversity of skills and trades, and the PLA was instrumental in making available a large and capable construction workforce.*

**(3) Would a PLA benefit a project which contains a unique and compelling mission-critical schedule?**

*The urgency of the subject project has been well established. The Metro-East levee system improvement project is a matter of great local concern because of its profound implications for public safety and on the economy of the region. The area's local governments, businesses, and civic organizations have mobilized to emphasize the urgency of the project and to support its timely completion. The PLA would contribute to achieving that goal by making available the necessary skilled workforce and by precluding labor disputes and work stoppages. The PLA would clearly reduce the risk of delays in the project schedule, providing public safety and economic benefits to the community.*

**(4) What type of project should be considered for PLA clauses?**

*PLAs have been successfully used on construction projects of all types and sizes in Southwestern Illinois. PLAs have been used on projects ranging from small schools to major interstate highways and bridges. Importantly, these projects have been funded with both public (local, state and federal) and private funds. There should be no limitation or restriction for the use of a PLA on any project.*

**(5) How will the use of a PLA impact time required to complete the project?**

*The PLA virtually eliminates the possibility of work stoppages due to labor disputes or the expiration of union contracts. All trades in the area have agreed to a single PLA that has been used on hundreds of projects to-date. This PLA, negotiated and administered by the Southwestern Illinois Building Trades Council, has been endorsed by the Southwestern Illinois Flood Prevention District Council, which has mandated its use on all projects wholly or*

*partially funded by the agency. The FPD Council is the local sponsor of the subject project and will be providing the local cost-share. In sum, there will be no time lost in negotiating any agreements with labor and once the job begins, there will be no risk of delays from labor disputes (as long as all parties comply with the requirements of the PLA). In the absence of a PLA, the Corps risks losing the cost-share for the project, putting the entire project in jeopardy.*

**(6) How will the use of a PLA impact the cost of the project?**

*A PLA will not affect the cost of the project, except insofar as the agreement will prevent costly work stoppages and labor disputes. As noted in the USACE Procurement Instruction Letter 2011-01, "The Department of Energy and the Tennessee Valley Authority have found that projects covered by PLAs tend to come in on time or early, and on budget or under budget, and that any delays in completion of such projects or any increases in costs that do arise are not due to labor issues."<sup>1</sup> The PLA will contribute significantly to schedule and cost predictability on the project.*

**(7) What other factors should the Corps consider before deciding to include PLA provisions in a St Louis Engineer District contract?**

*In carrying out the subject project, the Corps is signing a Project Partnership Agreement with the Southwestern Illinois Flood Prevention District Council on behalf of area communities that have agreed to tax themselves to provide the cost-share for the project and to undertake a number of levee improvements without the benefit of federal funds. The USACE should respect the partnership symbolized by the Agreement by complying with the policies of the FPD Council requiring the use of a PLA.*

*The FPD Council adopted the policy after concluding that it was in the best interest of the project and the public. This policy is strongly supported by local governments, state and federal elected officials, and business and civic groups in our area. Significantly, the Southern Illinois Builders Association (the local chapter of the Associated General Contractors) has also endorsed the use of a PLA on this project. That community consensus (which has been encouraged by the USACE since the outset) has been the foundation of area commitments to make significant investments in projects to reduce the risk of flooding. It would be a substantial setback in the cooperative relationship between the USACE and communities of Southwestern Illinois if a PLA were not used on this project.*

*The Corps should also consider the long track record of effective implementation of PLAs in our area. That success can be traced to two important factors: (a) every construction trade has agreed to a single PLA; and (b) the Southwestern Illinois Building Trades Council has administered the PLA very effectively. These factors make the SIBTC and its members into genuine partners in the project, solving problems and ensuring success.*

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<sup>1</sup> Department of the Army, U.S. Army Corps of Engineers. Procurement Instruction Letter 2011-01, USACE Policy Relating to the Use of Project Labor Agreements for Federal Construction Projects (Enclosure 4). October 15, 2010.



**(8) Please provide a list of recent (2-5 years) construction projects in the local labor market of the project under consideration. Include the following items:**

**Project Name/Location/Project Description/Initial Cost Estimate/Actual Final Cost. Was the project completed on time? Number of craft trades present on the project? PLA (Y/N)? Were there any challenges experienced during the project?**

*Attachments B and C are comprehensive lists of construction projects in Southwestern Illinois that have used the SIBTC PLA. There are a few additional projects that have used a national PLA or other project-only labor agreement. While time or resources do not permit assembling all of the information requested for the hundreds of projects on the list, more details are provided on a few representative projects below. Suffice it to say that many of the projects are complex, employing a range of trades.*

*Two very recent projects (both currently under construction) that are illustrative of the successful use of PLAs are:*

- **Illinois approaches to the new Mississippi River Bridge** between Illinois and downtown St. Louis, due to be completed in 2014. The overall project is consists of \$258,615,000 in awarded contracts, employing a total of 3500 workers in a wide variety of trades, including carpenters, cement masons, electricians, ironworkers, operators, laborers and drivers. The project is on schedule and within budget.
- **South Harbor at America's Central Port**, which consists of excavation, construction of relief wells, a clay cap and other features that are common to levee work. This project, which is currently under construction, will cost in excess of \$6,000,000 and is employing operators, laborers and other crafts. This project is on schedule and within budget.

**(9) Which trades are expected to be employed on this project?**

*This project will likely require the skills of operating engineers, laborers, teamsters, bricklayers, carpenters, electricians, ironworkers, plumbers, and others. As with any large and complex project, this project would benefit from the use of skilled and well-trained workers. Important to note that the SIBTC PLA is a single agreement adopted by all of these trades.*

**(10) Does the local market contain the sufficient number of available skilled workers for this project? Are there other projects in the vicinity going to limit the pool of skill labor available for your project?**

*One of the purposes of the PLA is to assure a reliable supply of skilled workers for the project, even if the project is large or complex. However, there is nothing in the PLA that would preclude workers from outside the local market from participating in the project, particularly if they possess certain skills unique to the job. Based on the experience with a similar cutoff wall built in Sauget a number of years ago, we anticipate that the needed workforce is present in the local market.*

**(11) Has a project like this been done before in the local market?**

*Yes, there have been a number of large and similar projects done in the area, all using PLAs. See response to #8 above.*

**(12) Have PLAs been used on comparable projects undertaken by the public sector in this geographic region? Have PLAs been used on this type of project in other regions?**

*Yes. PLAs have consistently and successfully been used by the State of Illinois, the Illinois Department of Transportation, cities and counties, school districts, etc. These projects, among others, are shown in the attached project lists. While it is apparent that PLAs have been used in other regions, we have no specific knowledge of the details. What is most important, though, is the successful local use and implementation of PLAs by area contractors and the Southwestern Illinois Building Trades Council. It is the local experience that is the strongest indication that a PLA would be cost-effective and contribute to a successful project in our area.*

**(13) Could a PLA contribute to cost savings in any of the following ways?**

- Harmonization of shifts and holidays between the trades to cut labor costs?**
- Minimization disruptions that may arise due to expiration of CBA?**
- Availability of trained, registered apprentices, efficient for highly skilled workforce?**
- Allowing for changes in apprentice to journeyman ration.**
- Serving as management tool that ensure highly skilled workers from multiple trades are coordinated in the most efficient way.**
- Others?**

*Yes. As described in the above responses, PLAs, when effectively administered, result in greater efficiencies in deploying skilled labor and virtually eliminating disruption of the job due to labor disputes or expiration of existing collective bargaining agreements. Working hours and holidays are designated in the PLA and are uniform throughout the project.*

*A PLA will address workforce issues through provisions that commit the SIBTC and its members to provide labor on a timely and non-discriminatory basis, usually within 48 hours, a commitment that is supported by arrangements that, when necessary to an adequate supply, facilitate the movement of skilled labor to areas where there are shortages. The PLA will permit contractors that do not usually use union labor to bring specified numbers of their own "core" employees onto the job.*

*The SIBTC PLA also provides for a Pre-Job conference and regular meetings occurring not less than once a month to review the conduct of the agreement and resolve any pending problems or concerns. The PLA creates an effective partnership with the project workforce that leads to greater certainty in meeting budgets and schedules. PLAs contribute to cost savings and efficiency in all of these ways, and others.*

**(14) Could a PLA minimize risk and contribute to greater efficiency in any of the following ways?**

- Mechanisms to avoid delays**
- Complying with Davis Bacon and other labor standards, safety rules and EEO and OFCP laws.**
- Ensuring a steady supply of skilled labor in markets with low supply or high competition for workers.**

*Yes. The PLA ensures a steady supply of skilled labor, contributing to reduced delays. The administration of the PLA will also create mechanisms for more accurate reporting and greater accountability for meeting the requirements of Davis-Bacon and other regulations and statutes. There have been documented instances in our area of attempts to evade Davis-Bacon requirements when a PLA was not used. With a PLA in place, most workers will come through union referral systems, which require contractors to request employees in specific classifications, putting their hiring on record and facilitating ongoing monitoring for Davis-Bacon compliance. The regular labor-management project meetings will also facilitate resolution of compliance concerns in a timely fashion.*

*As the experience of the Illinois Department of Transportation illustrates, the PLA is not an impediment to meeting or exceeding goals for participation of minorities or small businesses on construction projects.*

**(15) Are there ways in which a PLA might increase costs on this particular project?**

*While there have been claims made that a PLA might, under certain circumstances, lead to increased costs, there is also ample authoritative evidence to the contrary. Moreover, the FPD believes that the role of government is to serve the public interest, and that interest goes well beyond the goal of minimizing costs. The extensive local experience with PLAs, involving literally hundreds of projects of all types and sizes, is that the PLA contributes to significant efficiencies, more predictable costs and schedules, reduced disruptions, and greater management/labor harmony. For a time-critical project like the Wood River cutoff walls, all of those factors are highly relevant.*

*While a single anecdotal experience at this point, the FPD's initial project, done using a PLA, produced a very competitive bidding process and a low bid that was significantly less than the engineers cost estimate for the project. The project was completed on time, under budget and without incident.*

*Also important to note is the support of contractors for the use of the PLA on this project. The Southern Illinois Builders Association, the local affiliate of the Associated General Contractors, has endorsed the use of a PLA for this project. This support is based on the favorable experience with PLAs in our area, due in large part to the prior agreement of all trades to a uniform document, and the effective administration of the PLA by the SIBTC.*

**(16) Is the use of PLAs conducive to ensuring compliance with laws and regulations governing safety and health, equal employment opportunity, labor and employment standards, and other relevant matters? Are there instances where these standards have not been met on Federal contracts in the local area? Were PLAs used for those specific contracts?**

*See response to question (14) above. We are not aware of instances where the referenced legal requirements have not been met on jobs that were done using a PLA. There have been documented instances where Davis-Bacon requirements were not met on jobs that were not done with PLAs. Work on the Mississippi River Bridge Illinois approaches by the Illinois Department of Transportation using a PLA, illustrates that the PLA is not an impediment to meeting goals for minority and women participation.*

**(17) Projects will require multiple construction contractors and/or subcontractors employing workers in multiple crafts or trades. Do you foresee any work on projects that may result in both the prime contractor and at least one subcontractor, or two or more subcontractors, employing the same trade?**

*On a large project, there may be prime- and sub-contractors utilizing members of the same trade. As described early, the referral system helps ensure that contractors will be able to meet their staffing needs, even if several are calling for members of the same craft. By being part of the planning meetings; labor organizations will be able to anticipate the contractors' needs, evaluate the numbers and qualifications of employees registered at any particular time, and, if needs require, solicit outside the area for skilled labor.*

**(18) How will a PLA impact the completion time? Would a PLA benefit a project which contains a unique and compelling mission-critical schedule?**

*As indicated above, we believe that a PLA is particularly important on a time-sensitive project like that for which this inquiry applies. Experience in our area has clearly and conclusively demonstrated that the PLA contributes to the timely completion of projects.*

**(19) Where have PLAs been used on comparable projects undertaken by Federal, State, municipal, or private entities in the geographic area of this project?**

*See responses to questions (4), (8), and (12) and attachments B and C. The State of Illinois, various state agencies, public universities, municipal governments and many private entities have entered into PLAs for capital construction projects of all sizes. The Illinois Department of Transportation, in particular, has undertaken heavy construction on projects as large as \$100 million using a PLA. At the other end of the size spectrum, PLAs have been used effectively on the smallest of projects as well. There are several projects that are useful examples of comparable projects, most notably the Mississippi River Bridge Illinois approaches and the South Harbor Project at America's Central Port. These projects are described in more detail elsewhere in this response.*

**(20). Will the use of PLAs impact the ability of potential offerors and subcontractors to meet small business utilization goals?**

*No. Our experience shows that small businesses have no problem effectively competing for work when using a PLA or in using a PLA. The use of a PLA will generally make it easier for small businesses to participate on this project. The employee referral provisions will give them access to the same pool of skilled construction workers available to large contractors and subcontractors on the project. And the pre-negotiated terms of the PLA will assist them in managing their portion of the work, by providing the basic ground rules under which they, and all other contractors and subcontractors, will operate.*



Memo to: Board of Directors  
From: Les Serman  
Subject: Budget and Disbursement Report for April 2013  
Date: May 13, 2013

Budget Highlights

Attached is the financial statement for April 2013 prepared by our fiscal agent, CliftonLarsonAllen. The report includes an accounting of revenues and expenditures for the month ending April 30, 2013, as compared to our fiscal year budget.

Accrued expenditures for the current fiscal year are \$11,543,557 while revenues amounted to \$6,996,540 showing a deficit of \$4,547,017. Expenditures increased significantly in April due to the biennial payment of bond principal and interest. Expenditures include a surplus for the year held by the bond Trustee of \$2,215,388 through the end of April that was returned to the counties as required by the bond indenture. A total of approximately \$ 12,940,373 is now held by the counties in their respective FPD sales tax funds and is available for the Council's use on the project.

Following an increase in January, monthly sales tax receipts for February 2013 (the latest month reported by the Illinois Department of Revenue) were down by about 4.94% year over year, which could be problematic if it is indicative of a trend. The hope was that the January tax receipts would signal a new upward trend, but February receipts were significantly lower in comparison to last year.

Disbursements

Attached are lists of bank transactions for April 2013. Total disbursements for the month were \$508,233.19. The largest payments were to the Corps of Engineers for cost-share on the Wood River cutoff wall design authorized by the Board last month, and for AMEC and its subcontractors for design and construction management services.

Recommendation:

Accept the budget report and disbursements for April 2013.

**SOUTHWESTERN ILLINOIS FLOOD PREVENTION  
DISTRICT COUNCIL**

**GENERAL FUND  
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL**

**SEVEN MONTHS ENDING APRIL 2013 AND 2012**



**CliftonLarsonAllen**

CliftonLarsonAllen LLP  
www.cliftonlarsonallen.com

Board Members  
Southwestern Illinois Flood Prevention District Council  
Collinsville, Illinois

We have compiled the accompanying General Fund Statement of Revenues and Expenditures – Budget and Actual of Southwestern Illinois Flood Prevention District Council (the “Council”) for the seven months ended April 2013 and 2012. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statement on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide assurance that there are no material modifications that should be made to the financial statements. During our compilation we did become aware of departures from accounting principles generally accepted in the United States of America that are described in the following paragraph.

Management has omitted the management discussion and analysis. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Management has not presented government-wide financial statements to display the financial position and changes in financial position of its governmental activity. Accounting principles generally accepted in the United States of America require the presentation of government-wide financial statements. The change in fund balance for the Council's governmental activity is not reasonably determinable.

Management has not presented a balance sheet for the general fund. Accounting principles generally accepted in the United States of America require the presentation of a balance sheet for each fund contained in the financial statements. The amounts that would be reported in a balance sheet of the general fund for the Council are not reasonably determinable.

Management has not presented a change in fund balance on the Statement of Revenues and Expenditures – Budget and Actual. Accounting principles generally accepted in the United States of America require the Statement of Revenues, Expenditures and Changes in Fund Balance include a presentation of changes in fund balance. The amounts that would be reported in government-wide financial statements for the Council's governmental activity is not reasonably determinable.

Management has also elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included with the financial statements, they might influence the user's conclusions about the Council's results of operations. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The accompanying original and final budget amounts presented on the General Fund Statement of Revenues and Expenditures – Budget and Actual presented for the year ending September 30, 2013 and 2012, have not been compiled or examined by us, and, accordingly, we do not express an opinion or any other form of assurance on them.

We are not independent with respect to Southwestern Illinois Flood Prevention District Council.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

St. Louis, Missouri  
May 7, 2013



**SOUTHWESTERN ILLINOIS FLOOD PROTECTION DISTRICT COUNCIL**  
**GENERAL FUND**  
**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**SEVEN MONTHS ENDED APRIL 30 2013 (Actual)**  
**FISCAL YEAR ENDING SEPTEMBER 30, 2013 (Budget)**

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
<b>REVENUES</b>				
Sales Tax Proceeds From Districts	\$ 11,639,000	\$ 11,639,000	\$ 6,517,246	\$ 5,121,754
Interest Income	960,000	960,000	479,294	480,706
Other Contributions	-	-	-	-
Total Revenues	12,599,000	12,599,000	6,996,540	5,602,460
<b>EXPENDITURES</b>				
Current				
Design and Construction				
Engineering Design & Construction Management	6,000,000	6,000,000	1,662,688	4,337,312
Construction	42,600,000	42,600,000	722,493	41,877,507
Construction and design by US ACE	1,400,000	1,400,000	375,000	1,025,000
Federal Cost-Share	-	-	-	-
Total Design and Construction	50,000,000	50,000,000	2,760,181	47,239,819
Professional Services				
Legal & Legislative Consulting	126,000	126,000	81,311	44,689
Construction Oversight	160,000	160,000	-	160,000
Impact Analysis/Research	10,000	10,000	-	10,000
Financial Advisor	20,000	20,000	11,555	8,445
Bond Underwriter/Conduit Issuer	93,529	93,529	940	92,589
Total Professional Services	409,529	409,529	93,806	315,723
Refund of Surplus Funds to County FPD Accounts				
Madison County	2,955,782	2,955,782	1,065,779	1,890,003
Monroe County	280,157	280,157	101,066	179,091
St. Clair County	2,907,860	2,907,860	1,048,543	1,859,317
Total Refund of Surplus Funds to County	6,143,799	6,143,799	2,215,388	3,928,411
Debt Service				
Principal and Interest	7,107,440	7,107,440	7,102,439	5,001
Federal Interest Subsidy	(910,140)	(910,140)	(798,802)	(111,338)
Total Debt Service	6,197,300	6,197,300	6,303,637	(106,337)
Total Operating Expenses	62,750,628	62,750,628	11,373,012	51,377,616
General and Administrative Costs				
Salaries, Benefits	192,331	192,331	144,021	48,310
Advertising	-	-	-	-
Bank Service Charges	420	420	314	106
Conference Registration	500	500	372	128
Equipment and Software	3,000	3,000	1,769	1,231
Fiscal Agency Services (EWG)	23,000	23,000	12,900	10,100
Furniture	-	-	-	-
Meeting Expenses	1,000	1,000	29	971
Postage/Delivery	400	400	200	200
Printing/Photocopies	2,500	2,500	1,084	1,416
Professional Services	15,000	15,000	848	14,152
Publications/Subscriptions	250	250	105	145
Supplies	1,500	1,500	1,524	(24)
Telecommunications/Internet	2,000	2,000	1,233	767
Travel	15,000	15,000	5,169	9,831
Insurance	1,000	1,000	977	23
Total General & Administrative Costs	257,901	257,901	170,545	87,356
Total Expenditures	63,008,529	63,008,529	11,543,557	51,464,972
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(50,409,529)	(50,409,529)	(4,547,017)	45,862,512
OTHER FINANCING SOURCES				
Proceeds From Borrowing	-	-	-	-
NET CHANGE IN FUND BALANCE	\$ (50,409,529)	\$ (50,409,529)	\$ (4,547,017)	\$ 45,862,512

**SOUTHWESTERN ILLINOIS FLOOD PROTECTION DISTRICT COUNCIL  
GENERAL FUND  
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
SEVEN MONTHS ENDED APRIL 30, 2012 (Actual)  
FISCAL YEAR ENDING SEPTEMBER 30, 2012 (Budget)**

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
<b>REVENUES</b>				
Sales Tax Proceeds From Districts	\$ 11,000,000	\$ 11,000,000	\$ 6,610,470	\$ 4,389,530
Interest Income	878,365	878,365	506,483	371,882
Other Contributions	-	-	-	-
Total Revenues	<u>11,878,365</u>	<u>11,878,365</u>	<u>7,116,953</u>	<u>4,761,412</u>
<b>EXPENDITURES</b>				
Current				
Design and Construction				
Engineering Design & Construction Management	6,000,000	6,000,000	1,957,353	4,042,647
Construction	20,000,000	20,000,000	599,873	19,400,127
Construction and design by US ACE	1,100,000	1,100,000	-	1,100,000
Federal Cost-Share	-	-	-	-
Total Design and Construction	<u>27,100,000</u>	<u>27,100,000</u>	<u>2,557,226</u>	<u>24,542,774</u>
Professional Services				
Legal & Legislative Consulting	126,000	126,000	44,587	81,413
Construction Oversight	160,000	160,000	40,147	119,853
Impact Analysis/Research	1,000	1,000	-	1,000
Financial Advisor	20,000	20,000	941	19,059
Bond Underwriter/Conduit Issuer	93,529	93,529	-	93,529
Total Professional Services	<u>400,529</u>	<u>400,529</u>	<u>85,675</u>	<u>314,854</u>
Refund of Surplus Funds to County FPD Accounts				
Madison County	1,999,276	1,999,276	1,410,045	589,231
Monroe County	260,706	260,706	138,224	122,482
St. Clair County	1,241,796	1,241,796	1,434,563	(192,767)
Total Refund of Surplus Funds to County	<u>3,501,778</u>	<u>3,501,778</u>	<u>2,982,832</u>	<u>518,946</u>
Debt Service				
Principal and Interest	7,107,440	7,107,440	7,101,539	5,901
Federal Interest Subsidy	(910,140)	(910,140)	(455,070)	(455,070)
Total Debt Service	<u>6,197,300</u>	<u>6,197,300</u>	<u>6,646,469</u>	<u>(449,169)</u>
Total Operating Expenses	<u>37,199,607</u>	<u>37,199,607</u>	<u>12,272,202</u>	<u>24,927,405</u>
General and Administrative Costs				
Salaries, Benefits	189,365	189,365	106,185	83,180
Advertising	2,500	2,500	-	2,500
Bank Service Charges	420	420	389	31
Conference Registration	700	700	336	364
Equipment and Software	2,300	2,300	-	2,300
Fiscal Agency Services	20,000	20,000	25,708	(5,708)
Furniture	300	300	-	300
Meeting Expenses	1,000	1,000	83	917
Miscellaneous Startup Expenses	-	-	-	-
Office Rental	-	-	-	-
Postage/Delivery	600	600	195	405
Printing/Photocopies	2,500	2,500	351	2,149
Professional Services	18,000	18,000	46,405	(28,405)
Publications/Subscriptions	200	200	-	200
Supplies	1,350	1,350	748	602
Telecommunications/Internet	3,500	3,500	2,140	1,360
Travel	12,500	12,500	6,055	6,445
Other Business Expenses	-	-	-	-
Insurance	3,000	3,000	990	2,010
Total General & Administrative Costs	<u>258,235</u>	<u>258,235</u>	<u>189,585</u>	<u>68,650</u>
Total Expenditures	<u>37,457,842</u>	<u>37,457,842</u>	<u>12,461,787</u>	<u>24,996,055</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	(25,579,477)	(25,579,477)	(5,344,834)	20,234,643
<b>OTHER FINANCING SOURCES</b>				
Proceeds From Borrowing	-	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (25,579,477)</u>	<u>\$ (25,579,477)</u>	<u>\$ (5,344,834)</u>	<u>\$ 20,234,643</u>

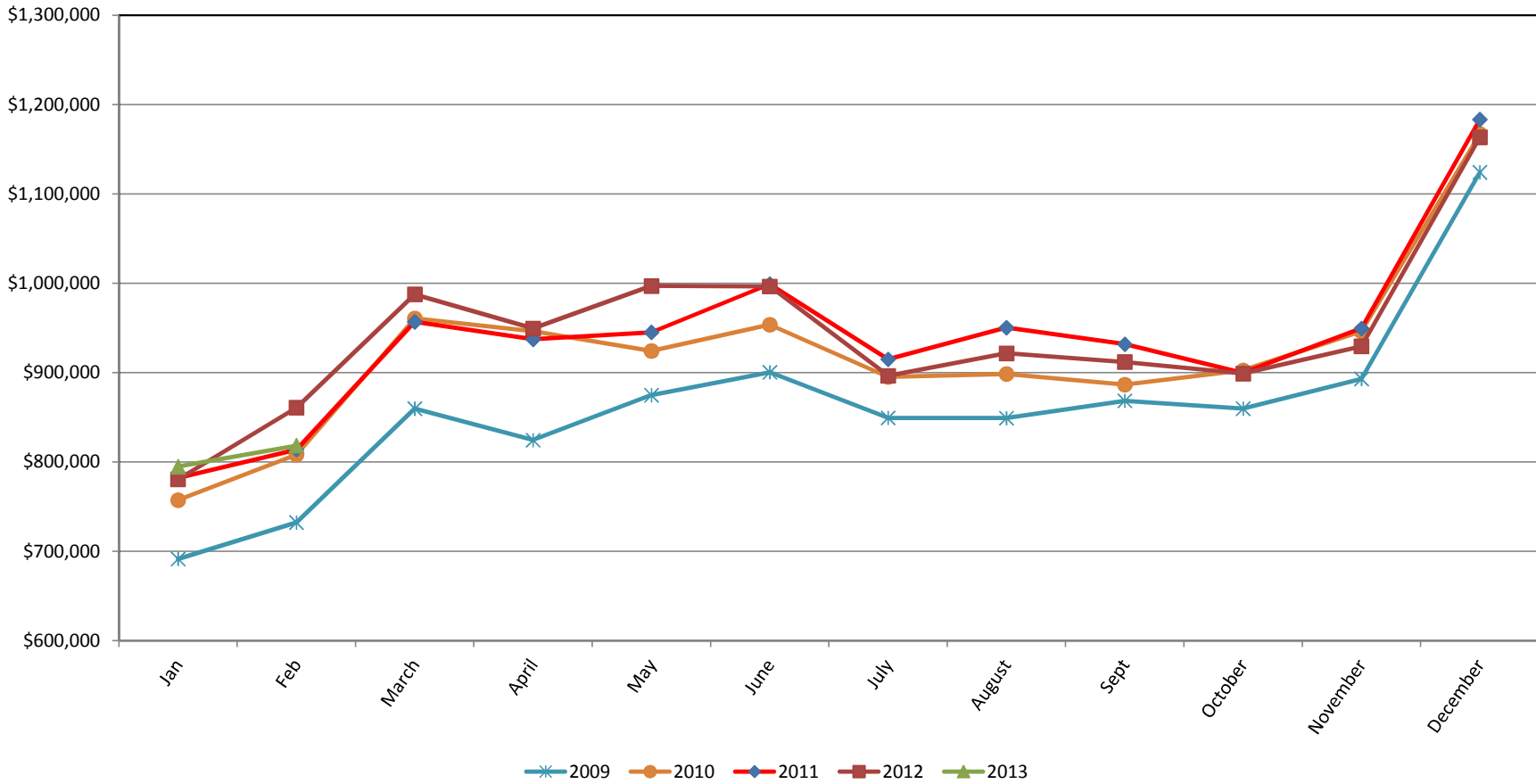
## Flood Prevention District Sales Tax Trends 2009-2012

<b>2009</b>														County Share
Jan	Feb	March	April	May	June	July	August	Sept	October	November	December	Total		
Madison	\$321,968	\$336,765	\$397,425	\$387,385	\$414,350	\$421,402	\$399,616	\$401,188	\$400,090	\$404,847	\$405,930	\$492,814	\$4,783,780	46.319%
St. Clair	\$337,979	\$362,696	\$424,556	\$398,395	\$419,126	\$438,230	\$411,968	\$410,484	\$429,852	\$412,637	\$446,806	\$581,721	\$5,074,450	49.134%
Monroe	\$31,641	\$32,903	\$37,830	\$38,757	\$41,326	\$40,847	\$37,817	\$37,497	\$38,652	\$42,270	\$40,332	\$49,755	\$469,627	4.547%
Total Month	\$691,588	\$732,364	\$859,811	\$824,537	\$874,802	\$900,479	\$849,401	\$849,169	\$868,594	\$859,754	\$893,068	\$1,124,290	\$10,327,857	
Cumulative Total	\$691,588	\$1,423,952	\$2,283,763	\$3,108,300	\$3,983,102	\$4,883,581	\$5,732,982	\$6,582,151	\$7,450,745	\$8,310,499	\$9,203,567	\$10,327,857		
<b>2010</b>														
Madison	\$353,146	\$374,416	\$456,795	\$462,697	\$440,815	\$452,308	\$427,329	\$433,047	\$419,455	430,210	\$442,904	\$529,069	\$5,222,191	47.272%
St. Clair	\$367,458	\$399,480	\$464,089	\$439,748	\$439,139	\$458,299	\$421,447	\$423,718	\$424,971	\$429,581	\$457,927	587067	\$5,312,924	48.094%
Monroe	\$36,770	\$34,324	\$39,884	\$43,769	\$44,358	\$43,102	\$46,499	\$41,816	\$42,207	\$42,746	\$45,411	\$51,004	\$511,890	4.634%
Total Month	\$757,374	\$808,220	\$960,768	\$946,214	\$924,312	\$953,709	\$895,275	\$898,581	\$886,633	\$902,537	\$946,242	\$1,167,140	\$11,047,005	
Cumulative Total	\$757,374	\$1,565,594	\$2,526,362	\$3,472,576	\$4,396,888	\$5,350,597	\$6,245,872	\$7,144,453	\$8,031,086	\$8,933,623	\$9,879,865	\$11,047,005		
% change/month	9.51%	10.36%	11.74%	14.8%	5.7%	5.9%	5.4%	5.8%	2.1%	5.0%	6.0%	3.8%		
% change/total	9.51%	9.95%	10.62%	11.72%	10.39%	9.56%	8.95%	8.54%	7.79%	7.50%	7.35%	6.96%	6.96%	
<b>2011</b>														
Madison	\$380,021	\$383,976	\$460,129	\$454,562	\$466,904	\$477,396	\$436,637	\$473,303	\$448,256	\$444,204	\$455,842	\$538,000	\$5,419,230	48.108%
St. Clair	\$363,984	\$395,231	\$455,562	\$437,820	\$436,490	\$475,972	\$433,460	\$433,777	\$441,030	\$412,793	\$451,390	\$594,129	\$5,331,638	47.330%
Monroe	\$38,315	\$34,759	\$41,192	\$44,975	\$41,786	\$45,836	\$44,887	\$43,323	\$42,564	\$42,690	\$42,252	\$51,266	\$513,845	4.562%
Total Month	\$782,320	\$813,966	\$956,883	\$937,357	\$945,180	\$999,204	\$914,984	\$950,403	\$931,850	\$899,687	\$949,484	\$1,183,395	\$11,264,713	
Cumulative Total	\$782,320	\$1,596,286	\$2,553,169	\$3,490,526	\$4,435,706	\$5,434,910	\$6,349,894	\$7,300,297	\$8,232,147	\$9,131,834	\$10,081,318	\$11,264,713		
% change/month	3.29%	0.71%	-0.40%	-0.94%	2.26%	4.77%	2.20%	5.77%	5.10%	-0.32%	0.34%	1.39%		
% change/total	3.29%	1.96%	1.06%	0.52%	0.88%	1.58%	1.67%	2.18%	2.50%	2.22%	2.04%	1.97%	1.97%	
<b>2012</b>														
Madison	\$381,470	\$406,476	\$473,049	\$471,191	\$481,989	\$477,254	\$427,562	\$434,603	\$428,193	\$428,521	\$429,127	\$523,240	\$5,362,675	47.481%
St. Clair	\$361,727	\$415,491	\$468,490	\$432,173	\$468,782	\$473,567	\$425,923	\$441,838	\$438,184	\$424,289	\$454,916	\$589,183	\$5,394,563	47.763%
Monroe	\$37,471	\$38,904	\$46,086	\$46,051	\$46,231	\$45,671	\$43,063	\$45,307	\$45,641	\$46,230	\$45,429	\$51,062	\$537,146	4.756%
Total Month	\$780,668	\$860,871	\$987,625	\$949,415	\$997,002	\$996,492	\$896,548	\$921,748	\$912,018	\$899,040	\$929,472	\$1,163,485	\$11,294,384	
Cumulative Total	\$780,668	\$1,641,539	\$2,629,164	\$3,578,579	\$4,575,581	\$5,572,073	\$6,468,621	\$7,390,369	\$8,302,387	\$9,201,427	\$10,130,899	\$11,294,384		
% change/month	-0.21%	5.76%	3.21%	1.29%	5.48%	-0.27%	-2.01%	-3.02%	-2.13%	-0.07%	-2.11%	-1.68%		
% change/total	-0.21%	2.83%	2.98%	2.52%	3.15%	2.52%	1.87%	1.23%	0.85%	0.76%	0.49%	0.26%	0.26%	



# Flood Prevention District Sales Tax Trends 2009-2012

## Actual Receipts 2009-2012



**SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL  
SUPPLEMENTARY SUPPORTING SCHEDULE  
BANK TRANSACTIONS  
April 30, 2013**

Beginning Bank Balance April 1				688,897.43
Receipts				
UMB	04/01/2013	Funds Transfer	8,953.94	
UMB	04/02/2013	Funds Transfer	205,174.12	
The Bank of Edwardsville	04/30/2013	BOE Interest Income	150.25	
Total Receipts				214,278.31
Disbursements				
AT&T	04/18/2013	Phone Service	146.03	
The Bank of Edwardsville	04/30/2013	BOE Bank Charge	16.60	
Endicia	04/18/2013	Office Supplies	40.42	
Walmart	04/24/2013	Office Supplies	32.57	
DropBox	04/25/2013	Office Supplies	99.00	
AMEC	04/03/2013	Construciton	205,174.12	
The Bank-Service Fees	04/01/2013	Wire Fees	10.00	
The Bank-Service Fees	04/02/2013	Wire Fees	10.00	
CliftonLarsonAllen LLP	04/03/2013	Fiscal Agent	1,850.00	
Dorgan, McPike & Assoc, LTD	04/03/2013	Professional Fees	3,000.00	
The Bank-Service Fees	04/22/2013	Wire Fees	25.00	
U. S. Army Corp of Engineers	04/22/2013	Construciton	275,000.00	
Cost Less Copy Center	04/26/2013	Copies for Board Meeting	138.00	
Dorgan, McPike & Assoc, LTD	04/26/2013	Professional Fees	3,000.00	
Husch Blackwell Sanders	04/26/2013	Professional Fees	19,691.45	
Total Disbursements				508,233.19
Ending Bank Balance April 30				394,942.55



Memo to: Board of Directors

From: Les Sterman

Subject: Amendment 2 to AMEC Work Order 8 – Construction Management for Construction Packages 2a, 2b, 4, 6

Date: May 10, 2013

Our agreement with AMEC Environment & Infrastructure provides for the firm to serve as the Council's construction manager for the project. The adopted project budget includes a total of \$5,183,000 for this purpose. The role of the construction manager is to act as the Council's representative in managing all phases of the construction process, including administration of construction contracts, assuring that all work meets the standards shown in contract documents, managing decisions in the field to interpret or clarify plans and specifications, and determining amounts to be paid to contractors. In May 2012, the Board adopted a Work Order that described the scope of construction management activities in detail and authorized funding for construction management activities relating to Construction Package #1. In accordance with our practice we anticipated that we would amend this Work Order as construction work is better defined and ready to proceed. In December, 2012 the Board adopted Amendment 1 that authorized certain expenditures for pre-construction activities for several bid packages.

The award of two construction contracts (#2a and #6) is expected soon, since bids are currently being solicited. Pre-construction activities are ongoing for several additional bid packages (#2b and #4), and the responsibility for bid packages #7a and #7b may be shifted to the Corps of Engineers. These circumstances suggest that it is timely to adopt a second amendment to our current Work Order with AMEC to define the scope and budget of construction management services for this work.

A detailed scope of work and cost estimate for the construction management services for four bid packages (#2a, #2b, #4, and #6) is shown as an attachment to this memo. The costs associated with this amendment, and the cumulative costs for the construction management work order are shown in Table 1. Total construction management expenditures that would be authorized with the adoption of Amendment 2 would be \$2,376,878, which represents 46% of the total budgeted costs for construction management. The cost associated with this amendment is \$2,078,338. Note that this work order reflects a de-authorization of construction management costs for packages #7a and #7b, the shallow and deep cutoff walls in the Wood River District, where the

Corps of Engineers may assume responsibility for construction. None of that previously authorized amount has been spent.

Table 1  
**Construction Management (Work Order 8)  
 Cost Summary**

<i>Bid Package</i>	<i>Bid Package Estimate</i>	<i>Original Work Order 8 (5.16.2012)</i>	<i>Amendment 1 (12.15.2012)</i>	<i>Amendment 2 (proposed)</i>	<i>Total CM Cost Authorized</i>	<i>% of Construction</i>
1	\$250,000	\$27,000			\$27,000	10.8%
2A	\$1,375,000			\$157,410	\$157,410	11.4%
2B	\$7,594,000		\$90,600	\$398,600	\$489,200	6.4%
3	\$16,545,000					
4	\$4,430,000			\$472,513	\$472,513	10.7%
5	\$18,014,000					
6	\$27,136,000			\$1,230,755	\$1,230,755	4.5%
7a	\$2,250,000		\$82,715	(\$82,715)	\$0	
7b	\$12,296,970		\$98,225	(\$98,225)	\$0	
<b>TOTAL</b>	<b>\$89,890,970</b>	<b>\$27,000</b>	<b>\$271,540</b>	<b>\$2,078,338</b>	<b>\$2,376,878</b>	

**Recommendation:** Authorize the Chief Supervisor to execute Amendment 2 to Work Order 8 with AMEC Environment & Infrastructure as shown in Attachment 1 in the amount of \$2,078,878 to provide construction management services for Construction Packages 2a, 2b, 4 and 6 and to de-authorize funds for Packages 7a, and 7b.





**Attachment A  
Scope of Work**

**WORK ORDER NO: MSA01-WO08  
CONSTRUCTION PHASE SERVICES**

**AMEC Project No: 56317001**

**I. Services Provided by the Engineer (AMEC) during the Construction Phase**

- A. Upon successful completion of the Bidding and Negotiating Phase, and upon written authorization from Owner, Engineer shall:
1. General Administration of Construction Contracts: Consult with Owner and act as Owner's representative as provided in the Construction Contract. The extent and limitations of the duties, responsibilities, and authority of Engineer as assigned in the Construction Contract shall not be modified, except as Engineer may otherwise agree in writing. All of Owner's instructions to Contractor will be issued through Engineer, which shall have authority to act on behalf of Owner in dealings with Contractor to the extent provided in this Agreement and the Construction Contract except as otherwise provided in writing.
  2. Resident Project Representative (RPR): Provide the services of an RPR at the Site to assist the Engineer and to provide more extensive observation of Contractor's work. Duties, responsibilities, and authority of the RPR are as set forth in Section II below. The furnishing of such RPR's services will not limit, extend, or modify Engineer's responsibilities or authority except as expressly set forth in Section II below.
  3. Pre-Construction Conference: Participate in a Pre-Construction Conference prior to commencement of Work at the Site.
  4. Schedules: Receive, review, and determine the acceptability of any and all schedules that Contractor is required to submit to Engineer, including the Progress Schedule, Schedule of Submittals, and Schedule of Values.
  5. Baselines and Benchmarks: As appropriate, establish baselines and benchmarks for locating the Work which in Engineer's judgment are necessary to enable Contractor to proceed.
  6. Visits to Site and Observation of Construction: In connection with observations of Contractor's Work while it is in progress:
    - a. Make visits to the Site at intervals appropriate to the various stages of construction, as Engineer deems necessary, to observe as an experienced and qualified design professional the progress of Contractor's executed Work. Such visits and observations by Engineer, and the Resident Project Representative, if any, are not intended to be exhaustive or to extend to every aspect of Contractor's Work in progress or to involve detailed inspections of Contractor's Work in progress beyond the responsibilities specifically assigned to Engineer in this Agreement and the Contract Documents, but rather are to be limited to spot checking, selective sampling, and similar methods of general observation of the

Work based on Engineer's exercise of professional judgment, as assisted by the Resident Project Representative, if any. Based on information obtained during such visits and observations, Engineer will determine in general if the Work is proceeding in accordance with the Contract Documents, and Engineer shall keep Owner informed of the progress of the Work.

- b. The purpose of Engineer's visits to, and representation by the Resident Project Representative, if any, at the Site, will be to enable Engineer to better carry out the duties and responsibilities assigned to and undertaken by Engineer during the Construction Phase, and, in addition, by the exercise of Engineer's efforts as an experienced and qualified design professional, to provide for Owner a greater degree of confidence that the completed Work will conform in general to the Contract Documents and that Contractor has implemented and maintained the integrity of the design concept of the completed Project as a functioning whole as indicated in the Contract Documents. Engineer shall not, during such visits or as a result of such observations of Contractor's Work in progress, supervise, direct, or have control over Contractor's Work, nor shall Engineer have authority over or responsibility for the means, methods, techniques, sequences, or procedures of construction selected or used by Contractor, for security or safety at the Site, for safety precautions and programs incident to Contractor's Work, nor for any failure of Contractor to comply with Laws and Regulations applicable to Contractor's furnishing and performing the Work. Accordingly, Engineer neither guarantees the performance of any Contractor nor assumes responsibility for any Contractor's failure to furnish or perform the Work in accordance with the Contract Documents.
7. Defective Work: Reject Work if, on the basis of Engineer's observations, Engineer believes that such Work (a) is defective under the standards set forth in the Contract Documents, (b) will not produce a completed Project that conforms to the Contract Documents, or (c) will imperil the integrity of the design concept of the completed Project as a functioning whole as indicated by the Contract Documents.
8. Clarifications and Interpretations; Field Orders: Issue necessary clarifications and interpretations of the Contract Documents as appropriate to the orderly completion of Contractor's work. Such clarifications and interpretations will be consistent with the intent of and reasonably inferable from the Contract Documents. Subject to any limitations in the Contract Documents, Engineer may issue field orders authorizing minor variations in the Work from the requirements of the Contract Documents.
9. Change Orders and Work Change Directives: Recommend change orders and work change directives to Owner, as appropriate, and prepare change orders and work change directives as required.
10. Shop Drawings and Samples: Review and approve or take other appropriate action in respect to Shop Drawings and Samples and other data which Contractor is required to submit, but only for conformance with the information given in the Contract Documents and compatibility with the design concept of the completed Project as a functioning whole as indicated by the Contract Documents. Such reviews and approvals or other action will not extend to means, methods, techniques, sequences, or procedures of construction or to safety precautions and programs incident thereto. Engineer shall meet any Contractor's submittal schedule that Engineer has accepted.

11. Substitutes and “or-equal”: Evaluate and determine the acceptability of substitute or “or-equal” materials and equipment proposed by Contractor as required.
12. Inspections and Tests: Require such special inspections or tests of Contractor’s work as deemed reasonably necessary, and receive and review all certificates of inspections, tests, and approvals required by Laws and Regulations or the Contract Documents. Engineer’s review of such certificates will be for the purpose of determining that the results certified indicate compliance with the Contract Documents and will not constitute an independent evaluation that the content or procedures of such inspections, tests, or approvals comply with the requirements of the Contract Documents. Engineer shall be entitled to rely on the results of such tests.
13. Disagreements between Owner and Contractor: Render formal written decisions on all duly submitted issues relating to the acceptability of Contractor’s work or the interpretation of the requirements of the Contract Documents pertaining to the execution, performance, or progress of Contractor’s Work; review each duly submitted Claim by Owner or Contractor, and in writing either deny such Claim in whole or in part, approve such Claim, or decline to resolve such Claim if Engineer in its discretion concludes that to do so would be inappropriate. In rendering such decisions, Engineer shall be fair and not show partiality to Owner or Contractor and shall not be liable in connection with any decision rendered in good faith in such capacity.
14. Applications for Payment: Based on Engineer’s observations as an experienced and qualified design professional and on review of Applications for Payment and accompanying supporting documentation:
  - a. Determine the amounts that Engineer recommends Contractor be paid. Such recommendations of payment will be in writing and will constitute Engineer’s representation to Owner, based on such observations and review, that, to the best of Engineer’s knowledge, information and belief, Contractor’s Work has progressed to the point indicated, the Work is generally in accordance with the Contract Documents (subject to an evaluation of the Work as a functioning whole prior to or upon Substantial Completion, to the results of any subsequent tests called for in the Contract Documents, and to any other qualifications stated in the recommendation), and the conditions precedent to Contractor’s being entitled to such payment appear to have been fulfilled in so far as it is Engineer’s responsibility to observe Contractor’s Work. In the case of unit price work, Engineer’s recommendations of payment will include final determinations of quantities and classifications of Contractor’s Work (subject to any subsequent adjustments allowed by the Contract Documents).
  - b. By recommending any payment, Engineer shall not thereby be deemed to have represented that observations made by Engineer to check the quality or quantity of Contractor’s Work as it is performed and furnished have been exhaustive, extended to every aspect of Contractor’s Work in progress, or involved detailed inspections of the Work beyond the responsibilities specifically assigned to Engineer in this Agreement and the Contract Documents. Neither Engineer’s review of Contractor’s Work for the purposes of recommending payments nor Engineer’s recommendation of any payment including final payment will impose on Engineer responsibility to supervise, direct, or control Contractor’s Work in

progress or for the means, methods, techniques, sequences, or procedures of construction or safety precautions or programs incident thereto, or Contractor's compliance with Laws and Regulations applicable to Contractor's furnishing and performing the Work. It will also not impose responsibility on Engineer to make any examination to ascertain how or for what purposes Contractor has used the moneys paid on account of the Contract Price, or to determine that title to any portion of the Work in progress, materials, or equipment has passed to Owner free and clear of any liens, claims, security interests, or encumbrances, or that there may not be other matters at issue between Owner and Contractor that might affect the amount that should be paid.

15. Contractor's Completion Documents: Receive, review, and transmit to Owner maintenance and operating instructions, schedules, guarantees, bonds, certificates or other evidence of insurance required by the Contract Documents, certificates of inspection, tests and approvals, Shop Drawings, Samples and other data approved as provided above, and transmit the annotated record documents which are to be assembled by Contractor in accordance with the Contract Documents to obtain final payment. The extent of such review by Engineer will be limited as provided above.
  16. Substantial Completion: Promptly after notice from Contractor that Contractor considers the entire Work ready for its intended use, in company with Owner and Contractor, visit the Project to determine if the Work is substantially complete. If after considering any objections of Owner, Engineer considers the Work substantially complete, Engineer shall deliver a certificate of Substantial Completion to Owner and Contractor.
  17. Additional Tasks: Perform or provide the following additional Construction Phase tasks or deliverables:
    - a. No additional tasks identified.
  18. Final Notice of Acceptability of the Work: Conduct a final visit to the Project to determine if the completed Work of Contractor is acceptable so that Engineer may recommend, in writing, final payment to Contractor. Accompanying the recommendation for final payment, Engineer shall also provide a notice in the form attached hereto as Attachment B (the "Notice of Acceptability of Work") that the Work is acceptable (subject to the provisions of Paragraph I.A.15.b) to the best of Engineer's knowledge, information, and belief and based on the extent of the services provided by Engineer under this Agreement.
- B. Duration of Construction Phase: The Construction Phase will commence with the execution of the first Construction Contract for the Project or any part thereof and will terminate upon written recommendation by Engineer for final payment to Contractor for the last active project.
- C. Limitation of Responsibilities: Engineer shall not be responsible for the acts or omissions of any Contractor, Subcontractor or Supplier, or other individuals or entities performing or furnishing any of the Work, for safety or security at the Site, or for safety precautions and programs incident to Contractor's Work, during the Construction Phase or otherwise. Engineer shall not be responsible for the failure of any Contractor to perform or furnish the Work in accordance with the Contract Documents.

## II. Resident Project Representative

- A. Engineer shall furnish a Resident Project Representative (“RPR”) to assist Engineer in observing progress and quality of the Work. The RPR may provide full time representation or may provide representation to a lesser degree.
- B. Through RPR's observations of Contractor's work in progress and field checks of materials and equipment, Engineer shall endeavor to provide further protection for Owner against defects and deficiencies in the Work. However, Engineer shall not, during such RPR field checks or as a result of such RPR observations of Contractor's work in progress, supervise, direct, or have control over Contractor's Work, nor shall Engineer (including the RPR) have authority over or responsibility for the means, methods, techniques, sequences, or procedures of construction selected or used by any contractor, for security or safety at the Site, for safety precautions and programs incident to any contractor's work in progress, or for any failure of a contractor to comply with Laws and Regulations applicable to such contractor's performing and furnishing of its work. The Engineer (including RPR) neither guarantees the performances of any contractor nor assumes responsibility for Contractor's failure to furnish and perform the Work in accordance with the Contract Documents. In addition, the specific terms set forth in Section I above are applicable.
- C. The duties and responsibilities of the RPR are as follows:
  1. General: RPR is Engineer's representative at the Site, will act as directed by and under the supervision of Engineer, and will confer with Engineer regarding RPR's actions. RPR's dealings in matters pertaining to the Contractor's work in progress shall in general be with Engineer and Contractor. RPR's dealings with Subcontractors shall only be through or with the full knowledge and approval of Contractor. RPR shall generally communicate with Owner only with the knowledge of and under the direction of Engineer.
  2. Schedules: Review the progress schedule, schedule of Shop Drawing and Sample submittals, and schedule of values prepared by Contractor and consult with Engineer concerning acceptability.
  3. Conferences and Meetings: Attend meetings with Contractor, such as preconstruction conferences, progress meetings, job conferences and other project-related meetings, and prepare and circulate copies of minutes thereof.
  4. Liaison:
    - a. Serve as Engineer's liaison with Contractor. Working principally through Contractor's authorized representative or designee, assist in providing information regarding the intent of the Contract Documents.
    - b. Assist Engineer in serving as Owner's liaison with Contractor when Contractor's operations affect Owner's on-Site operations.
    - c. Assist in obtaining from Owner additional details or information, when required for proper execution of the Work.

5. Interpretation of Contract Documents: Report to Engineer when clarifications and interpretations of the Contract Documents are needed and transmit to Contractor clarifications and interpretations as issued by Engineer.
6. Shop Drawings and Samples:
  - a. Record date of receipt of Samples and approved Shop Drawings.
  - b. Receive Samples which are furnished at the Site by Contractor, and notify Engineer of availability of Samples for examination.
  - c. Advise Engineer and Contractor of the commencement of any portion of the Work requiring a Shop Drawing or Sample submittal for which RPR believes that the submittal has not been approved by Engineer.
7. Modifications: Consider and evaluate Contractor's suggestions for modifications in Drawings or Specifications and report such suggestions, together with RPR's recommendations, to Engineer. Transmit to Contractor in writing decisions as issued by Engineer.
8. Review of Work and Rejection of Defective Work:
  - a. Conduct on-Site observations of Contractor's work in progress to assist Engineer in determining if the Work is in general proceeding in accordance with the Contract Documents.
  - b. Report to Engineer whenever RPR believes that any part of Contractor's work in progress will not produce a completed Project that conforms generally to the Contract Documents or will imperil the integrity of the design concept of the completed Project as a functioning whole as indicated in the Contract Documents, or has been damaged, or does not meet the requirements of any inspection, test or approval required to be made; and advise Engineer of that part of work in progress that RPR believes should be corrected or rejected or should be uncovered for observation, or requires special testing, inspection, or approval.
9. Inspections, Tests, and System Start-ups:
  - a. Consult with Engineer in advance of scheduled inspections, tests, and systems start-ups.
  - b. Verify that tests, equipment, and systems start-ups and operating and maintenance training are conducted in the presence of appropriate Owner's personnel, and that Contractor maintains adequate records thereof.
  - c. Observe, record, and report to Engineer appropriate details relative to the test procedures and systems start-ups.
  - d. Accompany visiting inspectors representing public or other agencies having jurisdiction over the Project, record the results of these inspections, and report to Engineer.
10. Records:

- a. Maintain at the Site orderly files for correspondence, reports of job conferences, reproductions of original Contract Documents including all change orders, field orders, work change directives, addenda, additional Drawings issued subsequent to the execution of the Construction Contract, Engineer's clarifications and interpretations of the Contract Documents, progress reports, Shop Drawing and Sample submittals received from and delivered to Contractor, and other Project-related documents.
- b. Prepare a daily report or keep a diary or log book, recording Contractor's hours on the Site, weather conditions, data relative to questions of change orders, field orders, work change directives, or changed conditions, Site visitors, daily activities, decisions, observations in general, and specific observations in more detail as in the case of observing test procedures; and send copies to Engineer.
- c. Record names, addresses, fax numbers, e-mail addresses, web site locations, and telephone numbers of all Contractors, Subcontractors, and major Suppliers of materials and equipment.
- d. Maintain records for use in preparing Project documentation.
- e. Upon completion of the Work, furnish original set of all RPR Project documentation to Engineer.

11. Reports:

- a. Furnish to Engineer periodic reports as required of progress of the Work and of Contractor's compliance with the progress schedule and schedule of Shop Drawing and Sample submittals.
- b. Draft and recommend to Engineer proposed change orders, work change directives, and field orders. Obtain backup material from Contractor.
- c. Furnish to Engineer and Owner copies of all inspection, test, and system start-up reports.
- d. Immediately notify Engineer of the occurrence of any Site accidents, emergencies, acts of God endangering the Work, damage to property by fire or other causes, or the discovery of any Constituent of Concern.

12. Payment Requests: Review applications for payment with Contractor for compliance with the established procedure for their submission and forward with recommendations to Engineer, noting particularly the relationship of the payment requested to the schedule of values, Work completed, and materials and equipment delivered at the Site but not incorporated in the Work.

13. Certificates, Operation and Maintenance Manuals: During the course of the Work, verify that materials and equipment certificates, operation and maintenance manuals and other data required by the Contract Documents to be assembled and furnished by Contractor are applicable to the items actually installed and in accordance with the Contract Documents, and have these documents delivered to Engineer for review and forwarding to Owner prior to payment for that part of the Work.



14. Completion:

- a. Participate in visits to the Project to determine Substantial Completion, assist in the determination of Substantial Completion and the preparation of lists of items to be completed or corrected.
- b. Participate in a final visit to the Project in the company of Engineer, Owner, and Contractor, and prepare a final list of items to be completed and deficiencies to be remedied.
- c. Observe whether all items on the final list have been completed or corrected and make recommendations to Engineer concerning acceptance and issuance of the Notice of Acceptability of the Work (Attachment B).

D. Resident Project Representative shall not:

1. Authorize any deviation from the Contract Documents or substitution of materials or equipment (including "or-equal" items).
2. Exceed limitations of Engineer's authority as set forth in this Agreement.
3. Undertake any of the responsibilities of Contractor, Subcontractors or Suppliers.
4. Advise on, issue directions relative to, or assume control over any aspect of the means, methods, techniques, sequences or procedures of Contractor's work.
5. Advise on, issue directions regarding, or assume control over security or safety practices, precautions, and programs in connection with the activities or operations of Owner or Contractor.
6. Participate in specialized field or laboratory tests or inspections conducted off-site by others except as specifically authorized by Engineer.
7. Accept shop drawing or sample submittals from anyone other than Contractor.
8. Authorize Owner to occupy the Project in whole or in part.

**III. Scope of Construction Phase Service**

- A. Engineer shall furnish construction phase services as defined herein, for each construction contract (Bid Package). Currently, one package is completed and a total of six (6) construction contracts anticipated. Two packages are anticipated to be completed by the USACE. Each construction contract or Bid Package shall be a standalone single project, with a stipulated sum construction contract and a general contractor managing subcontractors, if any.
- B. The method of delivery shall be either design-bid-build (D-B-B) or design-build (D-B) in accordance with Table III-1 below.
- C. The schedule and duration of construction phase services are estimated as described in Table III-1 below.

<b>Table III-1</b>				
<b>Bid Package</b>	<b>Description</b>	<b>Delivery</b>	<b>Start Date</b>	<b>End Date</b>
1	Gravity Drain & Toe Drain Rehabilitation	D-B-B	MAY 2012	JAN 2013
2A	Pump Stations (FL)	D-B-B	JUN 2013	DEC 2013
2B	Pump Stations (PdP, WR & MESD)	D-B-B	AUG 2013	SEP 2014
3	Relief Wells, Blanket Drain, & Seepage Berms (WR)	D-B-B	SEP 2013	JAN 2015
4	Clay Blanket, Relief Wells, Relief Well Collection System (MESD)	D-B-B	AUG 2013	NOV 2014
5	Clay Blanket, Relief Wells, Relief Well Collection System (MESD)	D-B-B	SEP 2013	NOV 2014
6	Relief Wells & Berms (PdP/FL)	D-B-B	JUN 2013	JAN 2015
7A	Cutoff Walls (Shallow)	D-B-B	-	APR 2014
7B	Cutoff Walls (Deep)	D-B-B	-	DEC 2014

D. Bid Package estimated budgets are shown in Table III-2. This original agreement was for Bid Package 1, subsequent Bid Packages will be handled as Change Orders to this Work Order.

<b>Table III-2</b>		
<b>Bid Package</b>	<b>Description</b>	<b>Cost Estimate</b>
1	Gravity Drain & Toe Drain Rehabilitation (Original Agreement)	250,000
2A	Pump Stations (FL)	1,374,911
2B	Pump Stations (PdP, WR & MESD)	7,593,478
3	Relief Wells, Blanket Drain, & Seepage Berms (WR)	16,545,081
4	Clay Blanket, Relief Wells, Relief Well Collection System (MESD)	4,429,824
5	Clay Blanket, Relief Wells, Relief Well Collection System (MESD)	18,013,576
6	Relief Wells & Berms (PdP/FL)	27,136,051
7A	Cutoff Walls (Shallow)	2,249,814
7B	Cutoff Walls (Deep)	12,296,970

**ORIGINAL AGREEMENT (6/8/2012)**

**Bid Package 01**

- 1) Pre-Construction Conference (**complete**)
- 2) Responding to Requests for Information (RFIs) (**complete**)
- 3) Reviewing Shop Drawings (**complete**)
- 4) Observation, Inspection and Construction Management (**complete**)

**Bid Package 01 = \$ 27,0000**

**AMENDMENT 1 – (12/20/2012)**

**Bid Package 2B**

- 1) Pre-Construction Conference/meetings, \$13,100
- 2) USACE Meetings, \$48,000
- 3) Responding to Requests for Information (RFIs), \$13,280
- 4) Reviewing Shop Drawings, \$15,680
- 5) Observation, Inspection and Construction Management, \$0

**Bid Package 2B = \$ 90,060**

**Bid Package 7A**

- 1) Pre-Construction Conference/meetings, \$10,820
- 2) USACE Meetings, \$ 40,140
- 3) Responding to -Requests for Information (RFIs), \$16,100
- 4) Reviewing Shop Drawings, \$15,580
- 5) Observation, Inspection and Construction Management, \$0

**Bid Package 7A =\$ 82,715**

**Bid Package 7B**

- 1) Pre-Construction Conference/meetings, \$17,220
- 2) USACE Meetings, \$34,850
- 3) Responding to Requests for Information (RFIs), \$24,100
- 4) Reviewing Shop Drawings, \$22,080
- 5) Observation, Inspection and Construction Management, \$0

**Bid Package 7B =\$ 98,225**

**AMENDMENT 2 – (5/15/2013)**

*(note: contract amounts do not include previous amendments)*

**Bid Package 2A**

- 1) Pre-Construction Conference/meetings, \$3,790
- 2) USACE Meetings, \$0
- 3) Responding to Requests for Information (RFIs), \$8,410
- 4) Reviewing Shop Drawings, \$11,200
- 5) Observation, Inspection and Construction Management, \$117,250
- 6) Construction Material Testing, \$11,985
- 7) Pump Startup, \$4,775

**Bid Package 2A = \$ 157,410**

**Bid Package 2B**

- 1) Pre-Construction Conference/meetings, \$5,320
- 2) USACE Meetings, \$0
- 3) Responding to Requests for Information (RFIs), \$40,540
- 4) Reviewing Shop Drawings, \$53,900
- 5) Observation, Inspection and Construction Management, \$318,950
- 6) Construction Material Testing, \$47,490
- 7) Pump Startup, \$23,000

**Bid Package 2B = \$ 399,140**

**Bid Package 04**

- 1) Pre-Construction Conference/meetings, \$5,797
- 2) USACE Meetings, \$17,100
- 3) Responding to Requests for Information (RFIs), \$9,380
- 4) Reviewing Shop Drawings, \$15,440
- 5) Observation, Inspection and Construction Management, \$242,461
- 6) Construction Material Testing, \$139,100
- 7) Pilot Holes, \$17,950
- 8) Relief Wells, \$18,000
- 9) Piezometer Installation, \$7,285

**Bid Package 04 = \$ 472,513**

**Bid Package 06**

- 10) Pre-Construction Conference/meetings, \$7,307
- 11) USACE Meetings, \$53,550
- 12) Responding to Requests for Information (RFIs), \$17,280
- 13) Reviewing Shop Drawings, \$16,240
- 14) Observation, Inspection and Construction Management, \$790,521
- 15) Construction Material Testing, \$249,762
- 16) Pilot Holes, \$38,150
- 17) Relief Wells, \$50,505
- 18) Piezometer Installation, \$7,440

**Bid Package 06 = \$ 1,230,755**

**Bid Package 7A**

- 1) Pre-Construction Conference/meetings, \$0
- 2) USACE Meetings, \$ 0
- 3) Responding to Requests for Information (RFIs), \$0
- 4) Reviewing Shop Drawings, \$0
- 5) Observation, Inspection and Construction Management, \$0

**Bid Package 7a =(\$ 82,715)<sup>1</sup>**

**Bid Package 7B**

- 1) Pre-Construction Conference/meetings, \$0
- 2) USACE Meetings, \$0
- 3) Responding to Requests for Information (RFIs), \$0
- 4) Reviewing Shop Drawings, \$0
- 5) Observation, Inspection and Construction Management, \$0

**Bid Package 7b =(\$ 98,225)<sup>1</sup>**

**COST SUMMARY**

<b>Original Work Order 8</b>	<b>\$ 27,000</b>
<b>Amendment 1</b>	<b>\$ 271,000</b>
<b>Amendment 2</b>	<b>\$2,078,878</b>
<b>Total Work Order 8</b>	<b>\$2,376,878</b>

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<sup>1</sup> In anticipation of project being undertaken by USACE, previously authorized amount in this bid package is being withdrawn. No funds have been spent to date.

**Attachment B  
Notice of Acceptability of Work**

**WORK ORDER NO: MSA01-WO08  
CONSTRUCTION PHASE SERVICES**

**AMEC Project No: 56317001**

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NOTICE OF ACCEPTABILITY OF WORK

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PROJECT:

OWNER:

CONTRACTOR:

OWNER'S CONSTRUCTION CONTRACT IDENTIFICATION:

EFFECTIVE DATE OF THE CONSTRUCTION CONTRACT:

ENGINEER:

NOTICE DATE:

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To: \_\_\_\_\_  
Owner

And To: \_\_\_\_\_  
Contractor

From: \_\_\_\_\_  
Engineer

The Engineer hereby gives notice to the above Owner and Contractor that the completed Work furnished and performed by Contractor under the above Contract is acceptable, expressly subject to the provisions of the related Contract Documents, the Agreement between Owner and Engineer for Professional Services dated \_\_\_\_\_, \_\_\_\_\_, and the terms and conditions set forth in this Notice.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_

# MAN-HOUR ESTIMATE

## 408 Review - Amendment #1



Task	Project Manager	Resident Engineer / Disp. Leads	Field Engineers / Project Engineers	Field Support / CADD Support	Proj Assistant	Geotech. Disp. Lead	Geotech Engineer	Material Technician	Total Hours	Labor Cost	Travel	Per Diem	Direct Cost	Sub-consultant Cost	Total Cost
	\$220	\$195	\$130	\$110	\$105	\$200	\$110	\$70			\$750	\$125			
<b>CM Services - BP2A</b>															
1	Pre-Construction Conference	4	8		6	4	4		26	\$3,790			\$0		\$3,790
2	USACE Meetings								0	\$0					\$0
3	Responding to Requests For Inform	3	10	30		4	10		57	\$8,410					\$8,410
4	Reviewing Shop Drawings		20	40	20				80	\$11,200					\$11,200
5	Observation, Inspection and Constr	15	70	606	100	80	4	12	887	\$117,250					\$117,250
6	Construction Material Testing		12		12	4	8	64	100	\$9,760	1	6	\$1,500	\$725	\$11,985
7	Pump Startup		20						20	\$3,900	1	1	\$875		\$4,775
<b>CM Services - BP2A - Subtotal</b>		<b>22</b>	<b>132</b>	<b>684</b>	<b>100</b>	<b>118</b>	<b>16</b>	<b>34</b>	<b>1,170</b>	<b>\$154,310</b>	<b>2</b>	<b>7</b>	<b>\$2,375</b>	<b>\$725</b>	<b>\$157,410</b>
<b>CM Services - BP2B</b>															
1	Pre-Construction Conference	6	10		8	6	6		36	\$5,320			\$0		\$5,320
2	USACE Meetings								0	\$0					\$0
3	Responding to Requests For Inform	12	60	120		20	60		272	\$40,540					\$40,540
4	Reviewing Shop Drawings		100	200	80				380	\$53,900					\$53,900
5	Observation, Inspection and Constr	40	120	1,700	425	80	20	60	2,445	\$318,950					\$318,950
6	Construction Material Testing		36		36	20	40	192	324	\$32,640	6	48	\$10,500	\$4,350	\$47,490
7	Pump Startup		100						100	\$19,500	4	4	\$3,500		\$23,000
<b>CM Services - BP2B - Subtotal</b>		<b>58</b>	<b>416</b>	<b>2,030</b>	<b>425</b>	<b>204</b>	<b>66</b>	<b>166</b>	<b>3,557</b>	<b>\$470,850</b>	<b>10</b>	<b>52</b>	<b>\$14,000</b>	<b>\$4,350</b>	<b>\$489,200</b>
<b>CM Services - BP4</b>															
1	Pre-Construction Conference	4	4		4	4	16	4	36	\$4,920	1	1	\$875		\$5,797
2	USACE Meetings		57		57				114	\$17,100					\$17,100
3	Responding to Requests For Information (RFIs)		20			12	28		60	\$9,380					\$9,380
4	Reviewing Shop Drawings		40	20		12	24		96	\$15,440					\$15,440
5	Observation, Inspection and Constr	40	120	907	378	180	40	80	1,745	\$227,416	15	30	\$15,000		\$242,461
6	Construction Material Testing		140			10	190	1,250	1,590	\$137,600			\$1,500		\$139,100
7	Pilot Holes (18)						120		120	\$13,200			\$4,750		\$17,950
8	Relief Well (New - 18)						150		150	\$16,500			\$1,500		\$18,000
9	Piezometer Installation (13 each)					16	24		40	\$5,785			\$1,500		\$7,285
<b>CM Services - BP4 - Subtotal</b>		<b>44</b>	<b>381</b>	<b>927</b>	<b>378</b>	<b>241</b>	<b>94</b>	<b>632</b>	<b>3,950</b>	<b>\$447,341</b>	<b>16</b>	<b>31</b>	<b>\$25,125</b>	<b>\$0</b>	<b>\$472,513</b>
<b>CM Services - BP6</b>															
1	Pre-Construction Conference	4	8	4	6	4	16	4	46	\$6,430	1	1	\$875		\$7,307
2	USACE Meetings	60	60	30	90	60	30		330	\$53,550			\$0		\$53,550
3	Responding to Requests For Inform	3	10	30	10	10	20	42	125	\$17,280			\$0		\$17,280

# MAN-HOUR ESTIMATE

## 408 Review - Amendment #1



Task	Project Manager	Resident Engineer / Disp. Leads	Field Engineers / Project Engineers	Field Support / CADD Support	Proj Assistant	Geotech. Disp. Lead	Geotech Engineer	Material Technician	Total Hours	Labor Cost	Travel	Per Diem	Direct Cost	Sub-consultant Cost	Total Cost
	\$220	\$195	\$130	\$110	\$105	\$200	\$110	\$70			\$750	\$125			
4 Reviewing Shop Drawings		20	40		20	12	24		116	\$16,240			\$0		\$16,240
5 Observation, Inspection and Constr	120	300	3,192	2,218	285	40	80		6,235	\$790,521			\$0		\$790,521
6 Construction Material Testing			227			64	128	2,080	2,499	\$201,990	12	260	\$47,500		\$249,762
7 Pilot Holes (65)						24	260		284	\$33,400			\$4,750		\$38,150
8 Relief Well (New - 65)							446		446	\$49,005			\$1,500		\$50,505
9 Piezometer Installation (6 each)							54		54	\$5,940			\$1,500		\$7,440
<b>CM Services - BP6 - Subtotal</b>	<b>187</b>	<b>398</b>	<b>3,523</b>	<b>2,228</b>	<b>411</b>	<b>224</b>	<b>1,080</b>	<b>2,084</b>	<b>10,134</b>	<b>\$1,174,356</b>	<b>13</b>	<b>261</b>	<b>\$56,125</b>	<b>\$0</b>	<b>\$1,230,755</b>
<b>TOTAL</b>	<b>311</b>	<b>1,327</b>	<b>7,164</b>	<b>3,131</b>	<b>974</b>	<b>400</b>	<b>1,911</b>	<b>3,594</b>	<b>18,811</b>	<b>2,246,857</b>			<b>97,625</b>	<b>5,075</b>	<b>2,349,878</b>





Memo to: Board of Directors  
From: Les Sterman  
Subject: Soliciting Third-Party Quality Control and Materials Testing Services  
Date: May 13, 2013

Often, quality control and material testing services are included in construction contracts, so the contractor assumes responsibility for these tasks. Our construction manager would then review this quality control information as part of their quality assurance role. Alternatively, quality control is done by the project owner to provide some independence in determining that the quality of materials is in keeping with the plans and specifications. I believe that the latter is a better approach for the Council.

The third party quality control consultant will be responsible for inspection of construction materials by either physical testing or visual inspection for compliance with specifications, or confirming evidence of materials inspection, i.e. proof that an accepted method of sampling and testing has been performed elsewhere. The consultant will document that the materials received on the job site were successfully and adequately inspected. The third party quality control consultant will also review the quantities on the payment estimate to ensure sufficient quantities of materials were inspected and accepted. Tested materials will include: fine and course aggregate gradation, hot mix asphalt, cast in place concrete, precast concrete and soil density.

I am recommending that the Council seek, through a competitive procurement, consultants to provide these services.

**Recommendation:** Authorize the Chief Supervisor to solicit, through a request for qualification, firms to provide quality control and testing services for the Council's construction work.



Memo to: Board of Directors  
From: Les Sterman  
Subject: Proposal to Contract for Government Relations and Advocacy Services  
Date: May 13, 2012

The Council has significant federal legislative, regulatory, and financial interests. We have ongoing regulatory matters dealing with the Corps of Engineers and the Federal Emergency Management Agency, as well as a number of legislative proposals that we would like to pursue. Several months ago the Board adopted a legislative agenda that reflects our ongoing federal priorities.

Given the limited Council staffing, however, our practical ability to pursue those priorities is limited. Congressman Costello formerly took the lead for our congressional delegation, and his staff was engaged on a daily basis on matters of concern to us, including introducing legislation to address flood insurance matters and the Sec. 408 review process. While our delegation in Congress is extraordinarily helpful and supportive, the departure of Congressman Costello leaves a void of institutional knowledge and staff support for us in Washington.

The Council already has representation at the state level through *Dorgan and McPike*. The firm has proven to be very useful in successfully resolving several legislative and regulatory matters in Springfield and I am proposing to enter into a similar arrangement at the federal level.

Former Congressman Costello has started a government relations practice and he would be a natural choice to provide those services for us, given his deep understanding of the issues and the area, together with his prior role as Chair of the Water Resources Subcommittee in the House. Unfortunately, he is prohibited from lobbying Congress for a year and there are other constraints that prevent him from directly representing us at this time. However, he is associated with a firm in Washington, *Smith Dawson & Andrews*, whose background and experience are well suited to our needs.

After several conversations with the principals of the firm to review our legislative agenda, I concluded that they are highly qualified to meet our needs and requested that they submit a proposal to represent us in matters before the Congress and federal agencies. There are no other apparent conflicts with other clients of the firm. Their proposal is attached.

SD&A has proposed an ambitious scope of work consisting of the following activities:

*A regional partnership to rebuild Mississippi River flood protection*

- Review the Council's 2013 Legislative Agenda and interactions to date with the Corps to finalize a 2013 strategy and then aggressively pursue this Strategy with the White House, federal agencies and the Congress;
- Assist the Council in consultations with the Congress and Executive branch regarding the Council's priorities, including the Illinois Congressional delegation, the White House and federal agencies such as the U.S. Department of Defense (Army Corps), Homeland Security (FEMA) and others, as necessary;
- Identify and recruit sponsors, potential supporters and allies for the Council's proposed amendments to the WRDA reauthorization relating to the Army Corps and Section 408 review;
- Keep the Council up-to-date on negotiations during the WRDA reauthorization process in both the House and the Senate;
- Independent of the legislative effort, work with the Council to continue to urge the Corps to expedite the current review and approval process;
- Draft congressional testimony, amendments, report language, grant support letters, and correspondence for the Members of Congress, their staffs and congressional committees on behalf of the Council, as necessary;
- Provide logistical support for Council officials' visits to Washington, including arranging appointments and meetings with members of Congress and Federal agencies, as needed, and preparing of materials for such meetings;
- Plan and coordinate on-site tours and briefings by the Council as needed with Members of Congress, staff and relevant agencies or organizations;
- Transmit documents, reports, and other information to Council officials on federal issues that might affect the levee improvements;
- Provide regular updates on advocacy efforts on behalf of the Council.

SD&A proposes to provide these services for \$5,000 per month plus expenses. The agreement can be terminated after three months with thirty days notice. This rate is under the market for this type of representation.

In consideration of the foregoing, I have concluded that it would be advantageous to enter into agreement with *Smith Dawson & Andrews* to provide government relations and advocacy services to the Council at a cost of \$5,000/month for six months, after which the relationship would be re-evaluated.

**Recommendation:**

Authorize the Chief Supervisor to engage *Smith Dawson & Andrews* at a cost of \$5,000 a month to provide federal government relations and advocacy services to the Council. The scope and cost would be re-evaluated in six months.

# SMITH DAWSON & ANDREWS

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*A public affairs company*

May 10, 2013

Les Sterman  
Chief Supervisor of Construction and the Works  
Southwestern Illinois Flood Prevention District Council  
104 United Drive  
Collinsville, IL 62234

Dear Les:

Thanks for taking the time to speak with Jim Smith, Mary Cronin and myself about the services Smith Dawson and Andrews (SDA) ([www.sda-inc.com](http://www.sda-inc.com)) can provide to facilitate the Southwestern Illinois Flood Prevention District Council's (**Council**) interaction with the Army Corps of Engineers (Army Corps or Corps) and promote the Council's 2013 Legislative Agenda focusing on Water Resources Development Act (WRDA) Reauthorization. We believe that SDA's focused methodology and extensive experience in representing government entities, and particularly municipal, county and regional entities – as well as our hard-won reputation for integrity – all combine to make SDA highly qualified to represent the Council.

## **Introduction**

Established in 1981 in Washington, D.C., SDA is a full service bipartisan government relations and public affairs company. Members of SDA's team of solution-oriented professionals have firsthand experience in the private sector as well as at all levels of government - including Congress and the White House. We consistently develop creative solutions and deliver substantial bottom-line success for our clients thanks to our in-depth knowledge of public policy issues and the regulatory, legislative and procurement processes.

Our work with local, county and state governments, regional authorities and coalitions of governmental entities with multiple funding and policy needs, remains at the heart of our expertise. It would not be an exaggeration to suggest that over the last 31 years our clients have numbered in the hundreds, with city and county governments and governmental entities making up a substantial portion of the total.

SDA's size, structure and personalized approach allow us to provide proactive, cost-effective representation to small institutions and multi-billion dollar organizations alike.

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*1150 Connecticut Avenue, NW Suite 1025  
Washington, DC 20036  
202-835-0740 / FAX 202-775-8526*

# SMITH DAWSON & ANDREWS

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*A public affairs company*

We're proud that clients think of us as an integral part of their team, capable of delivering the services they need when they need them.

## **Philosophy**

A guiding principle at SDA is that a well-informed and well-briefed client should be the best advocate for its own interests. At SDA, our clients are an integral part of strategy development. To be successful, your involvement and participation in the development of a strategic plan and its execution is essential. By combining our expertise with your knowledge, we will chart a successful outreach plan for the Council.

## **The Situation**

**History.** In 2007, the Federal Emergency Management Agency (FEMA) announced that it would not accredit the 74-mile levee system protecting the St. Louis Metro East region. This decision would effectively designate substantial portions of the American Bottom area of Southwestern Illinois as a Special Flood Hazard Area (SFHA) on new flood insurance rate maps, with devastating economic impact on the region.

The Council, a joint venture by three counties in SW Illinois, was formed in response to this announcement. For nearly four years, the Council and its Board of Directors have overseen the planning and design process for the repair and reconstruction of the levee systems. The goal: to achieve certification of the system in the three counties within five years at a cost of less than \$160 million and to limit economic hardship until the work is done.

The Illinois General Assembly authorized the three counties to impose a ¼ percent sales tax to pay for any necessary improvements to the levee system and created independent Flood Prevention Districts (FPDs) within each county with the authority to spend the tax. Through an intergovernmental agreement between the three county flood prevention district, the Council was created to finance, plan, design and build levee improvements. In late 2010 the Council sold \$94 million in bonds to pay for levee improvements.

The Council's improvement design is now complete. The estimated cost of the project can be covered through the existing sales tax. Key environmental permits for construction have been secured. Property acquisition is underway. Construction will be ready to start in the next few months with completion by 2015.

Approval of final plans by the Corps is underway. Current law, however, is based on the premise that the federal government will be the primary funder for flood improvement projects. The Corps has taken the position that locally financed projects are, in effect, Corps projects and therefore subject to all Corps technical review processes and

# SMITH DAWSON & ANDREWS

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*A public affairs company*

procedures, substantially complicating even simple projects, causing delay and dramatically increasing costs.

Were the Corps to undertake these levee improvements, the cost could potentially be far greater and take forty years or more at the current pace of Federal appropriations. This is not an effective solution to a problem that is being solved by the Council quickly and at less cost. The Council continues to work with the Corps and has also adopted a federal legislative agenda focusing on Army Corps reform through the WRDA reauthorization, which is beginning to move through the Congress.

**Timing.** The time is ripe for consideration of such reform. During a symposium on April 15, House Transportation and Infrastructure (T&I) Committee Chairman Bill Shuster said that the most important piece of his committee's Water Resources Development Act will be spurring the United States Army Corps of Engineers (USACE) to speed up construction and save money.

Shuster went on to say that he believes the committee can save "millions and millions of dollars" that could be put toward additional projects. The chairman said he's heard from people "around the country" that similar "streamlining" reforms in the 2012 surface transportation bill have made it easier to get infrastructure projects built more quickly.

The House has begun listening sessions and panels on its version of the WRDA bill. A hearing on "The Foundations for a New Water Resources Development Act" was held on April 16 by the T&I Committee's Water Resources and Environment subcommittee. Mr. Shuster reiterated his plan to push the USACE to expedite the 408 review process. A common theme that's emerged from several stakeholder meetings on the water resources bill was frustration over the lengthy time it takes for the USACE to study water projects.

The Chairman of Water Resources sub-committee Bob Gibbs (R-OH) offered in his opening statement, "In what used to take three or five years to study, it has now become the norm for the corps to take 10, 12 or 15 years to produce a study said at the Water Resources Development Act hearing on April 16<sup>th</sup>.

Mr. Shuster has publically indicated that he hopes to have a draft bill ready by "summer-ish." He has said that he's closely watching the Senate proceedings while continuing the T & I's outreach and listening sessions. It is not expected that the House will take the enacted Senate bill and modify it as happened last year during consideration of the surface transportation reauthorization bill.

A mark-up of the draft Senate bill was held by the Senate Environment and Public Works Committee on Wednesday, March 20<sup>th</sup>. The bill (S 601), co-sponsored by Chair Barbara Boxer (D-CA) and Ranking Member David Vitter (R-LA), was approved unanimously in only 15 minutes. The Senate started debate on S 601 the week of May 6<sup>th</sup> and disposed of fewer than 20 amendments out of hundreds. The Senate adjourned Thursday May 9<sup>th</sup>

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for the week and is scheduled to return Monday May 13th to resume consideration of the bill. Prior to leaving on May 9th, Majority Leader Reid filed cloture (vote to stop debate) on the bill and the cloture votes is scheduled for Tuesday, May 14th. Under Senate cloture rules, any additional amendments have to be filed on Monday. It is anticipated that the WRDA bill will be completed by the end of next week.

One contentious issue was resolved when the Senator's Boxer and Vitter agreed to drop a provision that would have required all money raised for the Harbor Maintenance Trust fund to be spent on the designated purpose. The funding will now be phased in by increasing dedicated spending by \$100 M per year for six years. This compromise with the Senate Appropriations Committee addressed their concern that an immediate shift in funds would have forced deep cuts in other programs using those dollars.

It should be noted that while Senator's Boxer (D-CA) and Vitter (R-LA) are working closely on the WRDA bill, they have clashed over the showdown related to the President's nominee to head the EPA. There has been a remarkable degree of cooperation between the liberal Boxer and the Conservative Vitter on infrastructure issues—on environmental issues they remain far apart.

The bill's anticipated trajectory is being compared to that of MAP-21, the transportation reauthorization law passed into law last year within a few months of the Committee's approval that had similar guiding principles:

- Streamlining policies and process for faster project delivery
- Avoiding tax increases
- Including innovative financing to permit larger loans and public-private partnership investments.

## **Scope of Services**

SDA will collaborate with the Council to create a strategy (Strategy) focused on facilitating its interactions with the Corps and achieving its legislative objectives. SDA will reduce this Strategy to writing. SDA will work with Council to implement the Strategy and begin developing and maintaining relationships for the Council. SDA will provide the following services to the Council:

- Review the Council's 2013 Legislative Agenda and interactions to date with the Corps to finalize a 2013 strategy and then aggressively pursue this Strategy with the White House, federal agencies and the Congress;
- Assist the Council in consultations with the Congress and Executive branch regarding the Council's priorities, including the Illinois Congressional delegation,

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the White House and federal agencies such as the U.S. Department of Defense (Army Corps), Homeland Security (FEMA) and others, as necessary;

- Identify and recruit sponsors, potential supporters and allies for the Council's proposed amendments to the WRDA reauthorization relating to the Army Corps and Section 408 review;
- Keep the Council up-to-date on negotiations during the WRDA reauthorization process in both the House and the Senate;
- Independent of the legislative effort, work with the Council to continue to bring pressure on the Corps to expedite the current review and approval process;
- Draft congressional testimony, amendments, report language, grant support letters, and correspondence for the Members of Congress, their staffs and congressional committees on behalf of the Council, as necessary;
- Provide logistical support for Council officials' visits to Washington, including arranging appointments and meetings with members of Congress and Federal agencies, as needed, and preparing of materials for such meetings;
- Plan and coordinate on-site tours and briefings by the Council as needed with Members of Congress, staff and relevant agencies or organizations;
- Transmit documents, reports, and other information to Council officials on federal issues that might affect the levee improvements;
- Provide regular updates on advocacy efforts on behalf of the Council.

## **SDA Team**

SDA will draw upon its full resources to plan, coordinate and implement the Council's Strategy. The following staff will have day-to-day responsibility for the Council account. Greg Andrews and Mary Cronin will serve as co-leaders of SDA's Council Team.

**Gregory B. Andrews** – Co-leader of SDA's Council Team, Executive Vice President/Partner

Aviation and other transportation issues, economic development, energy, health care, homeland security, planning, water resources and financing of large multi-year projects

Mr. Andrews joined Smith Dawson & Andrews in 1984. He came to the firm with an extensive background in public affairs, government service and political consulting, and



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provides strategic client counsel and senior level advocacy to key legislators and government officials. Greg has worked successfully with clients for almost three decades on the annual congressional budget and appropriations processes, numerous transportation, energy and health care authorization bills, including four transportation authorization bills, and on regulatory and policy issues with both Congress and the administrative agencies. Greg's major clients include the City of Sacramento Department of Transportation (CA), San Francisco International Airport (SFO) and Adacel Systems, Inc. (Orlando, FL).

From 1977 through 1980, Greg served in several roles in the U.S. Department of Transportation, including Congressional Liaison Officer in the Office of the Secretary, Special Assistant to the Federal Highway Administrator and as a member of the Secretary's Urban Highway Decision Group. Greg is active in a number of national associations in the aviation field, including the American Association of Airport Executives (AAAE), the Airports Council International-North America (ACI-NA), and the Air Traffic Control Association (ATCA), where he serves on the Public Affairs Committee.

Greg is a graduate of Mankato State University in Minnesota.

**Mary Cronin** – Co-leader of SDA's Council Team, Executive Vice President  
Congressional strategy and contacts, grants, defense, education, homeland defense, energy, transportation and infrastructure and justice related programs

Mary joined SDA in March 2010 after a decade long career spanning federal, state and county government. She assists SDA clients with policy and funding goals related to K-12 education, higher education, tariffs and trade, and ways communities can benefit economically from investments in energy sustainability, transportation and infrastructure, housing and land use policies. Additional areas of expertise include homeland defense, counterterrorism and national security. She works on a range of SDA clients including

the City of Boulder (CO); the United Front (OR); the County of Kaua'i and San Mateo County (CA).

Prior to joining SDA, she was Executive Director of the bipartisan Northeast-Midwest Congressional Coalition (NEMW), where she managed a number of Congressional task forces, coordinating common policy interests among more than 70 Members of Congress representing 18 Northeast and Midwestern states. Mary promoted policies and programs important to the manufacturing sector, brownfields clean-up, economic restoration, wastewater infrastructure financing, housing and assistance for low income families and underserved communities, fossil fuel and renewable energy technologies and transportation initiatives.

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Before her service on Capitol Hill, Mary was Assistant Director of Government Relations for the Fairfax County (Virginia) Public Schools, the nation's 12th-largest school system, and Legislative Director to the Assistant Majority Whip in the Massachusetts House of Representatives.

Mary graduated from Saint Michael's College, holds a Master of Science in Public Affairs from the University of Massachusetts, McCormack Graduate School of Policy Studies, and a Master of Arts in Strategic Security Studies from the College of International Security Affairs at the National Defense University. She is a member of the Women in Government Relations and Women in International Trade professional societies.

## **Brett Garson – Senior Counsel**

Legislative analysis, economic development, tax and public finance, water resources

Prior to joining SDA in 2007, Brett worked for the American Road & Transportation Builder's Association (ARTBA), clerked for a federal agency and in Senator Sherrod Brown's Office. Brett's familiarity with federal programs and understanding of emerging priorities on Capitol Hill and in the federal agencies and the White House help him guide clients to successful outcomes.

In addition to transportation and water resources, Brett's expertise includes the budget process, economic development, international trade and customs issues, water, sewer and utility issues and campaign finance and ethics law. He also provides strategic advice to clients on the impact of federal laws, regulations and pending legislation and authors an in-depth monthly legislative update tailored to each client's individual needs.

Brett manages several clients and participates in many coalitions including the Coalition for America's Gateways and Trade Corridors (CAGTC), the U.S. Conference of Mayors (USCM) and National Association of Counties (NACo).

Brett is a graduate of the University of Michigan, graduated cum laude from American University-Washington College of Law and is a member of the Maryland and D.C. bars.

## **James P. Smith – President**

Business development, health care, emergency services, homeland security, infrastructure technology, trade and transportation

Jim is the President of Smith Dawson & Andrews and serves as the firm's chief strategist. Among the clients he currently represents are Will County (IL), SouthCom, a coalition of Chicago suburban mayors, the Oregon United Front, the Regional Transportation Authority, Illinois and the National Association of Foreign- Trade Zones. Before co-founding SDA in 1981, Jim served in government and public affairs positions

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at the White House and in the Office of the Secretary at the U.S. Department of Transportation, the U.S. Department of Commerce and with the State of Illinois.

Involved in many key legislative battles on Capitol Hill, Jim has been active in every major transportation debate in Congress over the last 35 years. His knowledge of federal agency and congressional policy and practice, along with his long-term, bipartisan relationships with key decision makers, make Jim an effective advocate for client interests.

A native of the 11<sup>th</sup> Congressional District in Illinois, Jim has been involved in Illinois government and politics for more than 35 years and maintains an ongoing roster of Illinois clients. Jim is a Director and Officer of Home Star Financial Group and Home Star Bank, an independent privately held community bank serving Kankakee and Will Counties. He is a partner in Smith Development Corporation, which redeveloped the former State of Illinois Manteno Mental Health Center into the multi-business commercial center, Illinois Diversatech Campus.

Jim is a graduate of Colorado State University.

## **Terms and Rate**

The term of the agreement between SDA and the Council will be for one year, terminable after the first three months upon thirty days' notice. We propose a monthly retainer of \$5,000 plus expenses to be invoiced at the end of each month, with a review in 6 months. Business expenses such as travel and meals will be billed at cost. Travel, when necessary, will be initiated only with prior approval from Council.

SDA would very much welcome the chance to work with you on this challenging and exciting Strategy. Should you decide to hire SDA, we are prepared to begin immediately and would recommend a session be scheduled as soon as possible to begin our

collaboration. WRDA is moving through the Congress right now and it is important that the Council act quickly to insure that its concerns are heard by decision makers.

We appreciated the opportunity to speak with you and to present this proposal. When you have had a chance to review it, please contact me directly with any questions.

Sincerely,

**SMITH DAWSON & ANDREWS**

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A handwritten signature in black ink, appearing to read "Gregory B. Andrews". The signature is fluid and cursive, with the first name "Gregory" written in a smaller, more compact script than the last name "Andrews", which is larger and more prominent.

Gregory B. Andrews  
Executive Vice President

## **Smith Dawson & Andrews and Former U.S. Representative Jerry Costello Announce Strategic Partnership**

Washington, D.C. – Smith Dawson & Andrews, an established Washington, D.C. public affairs firm with strong Illinois ties, today announced the formation of a new strategic partnership with former Congressman Jerry Costello. Mr. Costello, who represented southwestern Illinois in the House of Representatives for thirteen terms beginning in 1988, did not seek re-election in 2012 and retired from Congress in January. He recently announced creation of The Jerry Costello Group, LLC, based in Belleville, Illinois.

“We are very happy to welcome Jerry Costello to the Smith Dawson & Andrews family,” said SDA President James P. Smith. “Throughout his years in Congress, Jerry has worked on and supported issues that were critical to many of our public- and private-sector clients,” Smith continued. “He has exemplified the ideal of bipartisan, problem-solving pragmatism and constituent service and is widely respected on both sides of the aisle. We look forward to having the benefit of Jerry’s advice and counsel as we provide the best possible Washington representation for our clients.”

“Jim Smith and Greg Andrews and their team have earned a first rate reputation for integrity and effectiveness in Washington,” said Jerry Costello. “I am very pleased to have the opportunity to work with them as well as to have their services on behalf of clients of The Jerry Costello Group.”

Jerry Costello served on Committee on Transportation and Infrastructure and the Committee on Science, Space and Technology Committees throughout his twenty-four years in Congress. He was both Ranking Member and Chairman of the Aviation Subcommittee, as well as Ranking Member on the Energy and Space Subcommittees. He also served as co-chair of the Congressional Aerospace Caucus.

Founded in 1981, Smith Dawson & Andrews (SDA) provides strategic planning, government relations and communications services to a wide range of businesses, state and local governments, nonprofits and associations. For more than 30 years, clients have looked to SDA’s solution-oriented professionals to deliver winning strategies and positive outcomes in Washington and across the nation. SDA’s relatively small size, structure and personalized approach allow the firm to provide proactive, cost-effective representation to small institutions and multi-billion dollar organizations alike.

### **FOR MORE INFORMATION:**

Brian Hannigan, Smith Dawson & Andrews

202-835-0740 Office (ext. 221); 703-625-3433 Cell  
[brianh@sda-inc.com](mailto:brianh@sda-inc.com)



Memo to: Board of Directors  
From: Les Sterman  
Subject: Selection of Diversity Program Manager  
Date: May 13, 2012

**I. Background**

The Council has had a longstanding commitment to engaging local firms and workers on the project, and we have taken a number of steps to meet the pledge, including the requirement the construction firms sign a project labor agreement and the adoption of a plan to engage minority firms and workers to the maximum practical extent. As part of our efforts at minority engagement on the project, the Board adopted a Minority Business and Workforce Utilization Plan in December 2012. One of the provisions of the Plan is to retain a Diversity Program Manager for the project to implement the activities described in therein.

The Council issued a request for proposals on April 11 (amended on May 3 to correct an error in the due date for proposals) seeking individuals or firms to serve as Diversity Program Manager for the Project.

A general description of the required services requested is below.

The Diversity Program Manager (DPM) will be charged with the overall responsibility for the administration of the Minority Business and Workforce Utilization Plan for the project. The duties and responsibilities of the DPM shall include:

1. Outreach to MBE/WBE firms, regional business and workforce development partners, apprenticeship and union representatives for participating trades, project stakeholders, and the community-at-large
2. Pre-assessment and Prequalification of Certified MBE/WBE firms to identify those that are fully prepared and ready for immediate contract opportunities as well as those needing additional assistance to reach that level of preparation for future contract opportunities.
3. Providing information and needed assistance to minority owned firms to increase their ability to compete effectively for contract opportunities.

4. Assisting the FPD with defining bid packages to increase potential for achieving the objectives of the Plan.
5. Assisting the FPD, prime, and subcontractors in soliciting bids from prequalified firms and documenting acceptable levels of good faith effort to meet the FPD's minority engagement objectives.
6. Assisting the FPD, construction manager, prime, and subcontractors in evaluating the responsiveness of bids to the FPD's minority engagement objectives.
7. Monitoring the project throughout its duration to measure and report the effectiveness of the implementation of the minority engagement efforts.
8. Providing contract, payment, and workforce utilization data to the FPD on a routine basis to track project outcomes and ensure early identification of threats to achieving the expected outcomes.

## **II. Description of the Solicitation Process**

On April 11, 2013 the Council issued a request-for-proposal for Diversity Program Manager. An amendment was issued on May 3, 2013 to correct an error on the due date (the date was correct, but the year was in error). RFPs were sent to ten individuals/firms known to be engaged in the subject matter. The RFP was also featured prominently on the Council's website.

On May 8, the Council received one response to provide the requested services from Marks and Associates, the same firm that developed the Minority Business and Workforce Utilization Plan for the project. One other respondent made contact with me and indicated an intention to submit a proposal, but failed to meet the submission deadline.

The RFP indicated that proposals would be evaluated according to the following factors, in order of priority:

1. Technical
  - a. Responsiveness of proposal demonstrating a clear understanding of work to be performed
  - b. Qualifications of the firm
    1. Relevant experience
    2. References
  - c. Relevant experience and qualifications of the assigned staff
  - d. Ability to accomplish the scope of work in a timely manner
  - e. Availability of staffing
2. Fee

Our schedule is very aggressive, with bids already being advertised and construction expected to begin in the early summer of 2013. It is critical, therefore, that the selected consultant have both the resources and experience to immediately begin work to engage contractors and to take steps to improve opportunities for minority workers on the project. It is important, therefore, that the selected firm understand the nature of the work required on the project and the limitations/conditions that will be encountered. We are also sensitive to costs. In sum, we are looking for experienced professionals that have the resources to do the job quickly and efficiently and who share our values and interests.

### **III. Summary of the Proposal**

Marks and Associates cites extensive experience in similar work including projects for BJC Healthcare, Washington University, Isle of Capri Casinos and on the Mississippi River Bridge project in Missouri. Staffing would include several individuals (Sandra Marks, Marvin Johnson, and Amanus Williams) who participated in developing the plan for the Council that is the basis of the proposed work. In addition, the proposal includes several administrative staff who would be responsible for jobsite monitoring and record-keeping.

1. Outreach to MBE/WBE firms, regional business and workforce development partners, apprenticeship and union representatives for participating trades, project stakeholders, and the community-at-large
2. Pre-assessment and Prequalification of Certified MBE/WBE firms to identify those who are “shovel ready” for immediate contract opportunities as well as those needing additional assistance to become “shovel ready” for future contract opportunities.
3. Providing information and needed assistance to MBE/WBE firms to increase their ability to compete effectively for contract opportunities.
4. Assisting CM with bid package breakdowns to increase potential for MBE/WBE utilization
5. Assisting CM, prime, and subcontractors in soliciting bids from prequalified MBE/WBE firms and documenting acceptable levels of good faith effort
6. Assisting CM, prime, and sub-contractors in evaluating bids for maximum utilization of MBE/WBE firms and minority/female workforce.
7. Monitoring the project throughout its duration to ensure that all efforts are made to meet project expectations
8. Providing contract, payment, and workforce utilization data on a routine basis to track project outcomes and ensure early identification to threats to achieving the expected outcomes.



Marks submitted a schedule and cost estimate for the work. Over the two year period of performance, the firm estimates the cost at \$22,400 per month, for a total labor cost of \$537,600. Direct costs for travel, printing, etc. would be additional.

#### **IV. Analysis of the Proposals**

Marks and Associates is well qualified for the work, as has been amply demonstrated through their prior work with the Council as well as their extensive experience implementing similar programs. Although we would have preferred a more competitive market for these services, we have confidence that Marks and Associates can meet our needs and expectations for performance. Moreover, their familiarity with the project and with the area will enable them to meet the aggressive schedule required.

However, I believe the cost estimate is not consistent with the nature and amount of work required. Most of the critical work will be done early in the construction phase, as bids are being developed and contractors selected. Monitoring of performance during the job does not require as much senior professional time and expense. Overall, I believe the cost proposal for this work should be revised before the Council agrees to engage the firm, especially considering the limited competitive solicitation process.

#### **Recommendation:**

Authorize the Chief Supervisor to negotiate a contract with Marks and Associates to serve as the Diversity Program Manager for the Council's flood prevention project. The final contract, including the scope and compensation, will require further Board approval before execution. In the interim, however, given the need for immediate activities to coincide with the ongoing bidding process for construction, the Chief Supervisor should be authorized to expend up to \$20,000 for a period concluding July 17, 2013 to engage Marks and Associates for services to begin implementing the Council's Minority Business and Workforce Utilization Plan.