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October 17, 2018

Mr. Jeff Harenda
Plant Manager, City of Waukesha Department of Public Works—Clean Water Plant
600 Sentry Dr.
Waukesha, WI 53186

Subject: Updated Cost Proposal and Process Guarantee for Engineering Services for Return Flow Pump
Station and Advanced Phosphorus Treatment with Facilities Enhancement for Clean Water Plant

Dear Mr. Harenda:

This letter addresses the changes that the City requested to our October 16, 2018 letter regarding our cost proposal. As discussed during our October 12, 2018 interview, we are pleased to provide an updated cost proposal and information regarding our phosphorus treatment guarantee for the subject project.

Revised Cost Proposal

As requested in the interview, we have investigated ways to potentially reduce our overall level of effort and fee for the project. The City could determine that some or all of these items could be implemented. The table below summarizes the potential changes to the original cost proposal.

Item/Task	Description	Potential Proposed reduction or increase
Task 1: Streamlined Phosphorus Alternative Evaluation	The process to select an alternative would be streamlined by eliminating Workshop No. 2 and bringing all of the key City and Jacobs staff to an extended multi-day workshop to work collaboratively to select an alternative. An abbreviated report summarizing the evaluation would be prepared.	\$23,500 Reduction
Task 4: Modify Field Services During Construction	The field services provided during construction would be modified by: <ul style="list-style-type: none"> A. Moving some hours from the Construction Manager to the Construction Inspector for tasks that the lower rate Construction Inspector is capable of doing. B. Moving some of Andy Schrank's hours to Dustin Maas for tasks that are more appropriate for the process engineer to perform. 	A. \$27,000 reduction B. \$16,000 reduction
Total Reduction in Fee		\$66,500
Task 2: Final Design of Other Phosphorus Treatment Alternatives	Our original proposed effort assumed that CoMag (Alternative 1A/1B) would be selected for implementation. We have determined that Alternative 2 – Coagulation/Flocculation & Cloth Filters would require the highest level of effort amongst the alternatives. Implementation of Alternative 2, would increase our final design costs slightly.	\$10,000 increase (if authorized)
Revised Total Fee	If all of the above items were incorporated into the contract, the total revised proposed fee is shown. Note that the \$10,000 increase if authorized for Task 2 is included in the total.	\$1,536,954

Rate Schedule

Our proposed range of hourly rates by employee category were shown in Table 1 of our cost proposal and those rate ranges will be applied through the conclusion of the project. The project is scheduled to be completed by March 2022. If the project were to extend beyond March 2022, the rates shown in Table 1 of our proposal would increase beginning in April 2022 to the rates shown in the attached table. The rates shown in the first column of the attached table, are the estimated average rates for specific team members over the life of the project (December 2018 through March 2022). If the project were to extend beyond March 2023, the rates would be increased by an additional 1.5 percent each year.

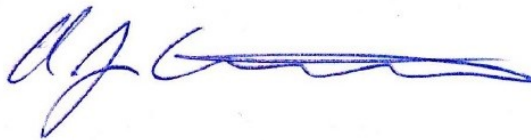
We value our longstanding partnership with the City, and as such we have brought forth our best staff to work with you on this challenging project. The high standard of quality, service, and the professional staff we have committed will result in cost-effective and reliable facilities that will consistently meet effluent permit limits and the requirements of the diversion approval. Should you have any questions regarding this updated proposal or if you wish to discuss additional revisions, please do not hesitate to contact Bill Desing at 414-847-0313 or at bill.desing@jacobs.com.

Sincerely,

Jacobs Engineering Group Inc.

A handwritten signature in blue ink that reads "Bill Desing". The signature is fluid and cursive, with the first name "Bill" and last name "Desing" clearly legible.

Bill Desing, PE
Project Manager

A handwritten signature in blue ink that reads "AJ Catalanotte". The signature is fluid and cursive, with the first name "AJ" and last name "Catalanotte" clearly legible.

AJ Catalanotte, PE
Vice President

Hourly Rates		
Staff Name	Average Hourly Rate(1)	April 2022 through April 2023 Hourly Rate(1)
Bill Desing	\$ 229	\$ 236
Brent Brown	\$ 156	\$ 161
Andy Schrank	\$ 197	\$ 203
Typical Senior Consultant	\$ 200	\$ 206
Jim Fisher	\$ 159	\$ 164
Dustin Maas	\$ 123	\$ 127
Colin Fitzgerald	\$ 117	\$ 121
Darren Lecke	\$ 143	\$ 147
Rahul Shelgaunokar	\$ 90	\$ 93
Jared Wendt	\$ 112	\$ 115
Sam Rizzi	\$ 198	\$ 204
Robert Wood	\$ 130	\$ 134
Richard Siebers	\$ 159	\$ 164
Del Lange	\$ 162	\$ 167
Robert Martin	\$ 174	\$ 179
Kevin Butcher	\$ 116	\$ 119
Alan Jones	\$ 204	\$ 210
Brice Windyg	\$ 107	\$ 110
Senior CAD	\$ 91	\$ 94
CAD Tech	\$ 74	\$ 76
Clerical	\$ 78	\$ 80
Tomasz Musial	\$ 50	\$ 52

1. Hourly rates shown are billing rates that include markups, fringe, overhead, general and administrative expenses and profit.