

Meeting Date: 11/16/2010

Agenda Item: 9.d)

City Council Agenda Report

City of Scandia

14727 209th St. North
Scandia, MN 55073 (651) 433-2274

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- Action Requested:** Approve an amendment to the consulting agreement with AECOM Technical Services, Inc. (AECOM) for preparation of the Zavoral Mining and Reclamation Project EIS (Environmental Impact Statement.)
- Deadline/ Timeline:** N/A
- Background:**
- In March of 2010, the Council approved the current agreement with AECOM, with total cost and fees of \$318,394. This was the second agreement with AECOM; the original contract was closed out after the proposer made significant changes to the project.
 - Since March, some progress has been made on the EIS, but significant delays have occurred due to the proposer's (Tiller Corporation) failure to provide information critical to the EIS (including revised reclamation and operations plans.)
 - AECOM's task-by-task description of the proposed contract modification is attached. The cost increase would be \$59,331, bringing the total contract to \$377,725.
 - In summary, the additional costs are related to:
 - Extended project life
 - Project inefficiencies and extra meetings due to multiple starts and stops
 - Additional wetland support to address and attend Technical Evaluation Panel review of delineation of seep wetland conducted by Tiller's consultant
 - Extensive coordination and modification of the pump test conducted to assess potential impacts of Tiller's proposed water use.
 - The payment and reimbursement agreement between the City of Scandia and Tiller Corporation requires Tiller to pay the full cost of preparation of the EIS. Tiller has been provided with a copy of the proposed contract modification.
- Recommendation:** I recommend that the Council approve the amendment. The modifications to the work plan and tasks are reasonable and justified.
- Attachments/ Materials provided:**
- Proposed Amendment No. 1

Contact(s): Leslie Knapp, PG
Senior Associate AECOM (763 551-2441)

Prepared by: Anne Hurlburt, Administrator

(AECOM Contract Change Order)



AECOM
 161 Cheshire Lane North, Suite 500
 Minneapolis, MN
 www.aecom.com

763.852.4200 tel
 763.473.0400 fax

November 10, 2010

Anne Hurlburt
 Administrator
 City of Scandia
 14727 209th Street North
 Scandia, Minnesota 55073

Re: Project Name: Zavoral Mine and Reclamation Project Environmental Impact Statement
AECOM Project No.: 910095.02
Amendment No.: 1

Dear Ms. Hurlburt,

This modification letter amends and modifies the Agreement entered into between the City of Scandia and AECOM Technical Services, Inc. ("AECOM"), formerly EDAW, Inc., with an effective date of March 2010.

It is understood and agreed that performance of the Basic Services identified under *Appendix A* to the Agreement will require an additional fee to be charged to the Client. Therefore, the contract budget as described in *Appendix B* is hereby increased by the amount of *fifty nine thousand three hundred and thirty one dollars (\$59,331)* so that the new not-to-exceed amount shall be *three hundred and seventy seven thousand seven hundred and twenty five dollars (\$377,725)*. By execution hereof, AECOM agrees that the basic services can be (barring unforeseen events or occurrences) performed for this amount.

The foregoing is the sole modification or amendment to the Agreement, and no other express or implied modification or amendment is intended or shall be construed herefrom. All other provisions, prior amendments [if any] and obligations of the Agreement shall continue in full force and effect.

AGREEMENT AND ACCEPTANCE:

Signed, this ____ Day of _____, 20__

AECOM Technical Services, Inc.

Client:

By: _____

By: _____

Print: _____

Print: _____

Title: Vice President

Title: _____

ZAVORAL MINING AND RECLAMATION PLAN EIS

CONTRACT MODIFICATION

November 10, 2010

The following describes and quantifies the requested contract modification. In summary, the request is related to:

- Extended project life
- Project inefficiencies and related meetings due to multiple starts and stops
- Additional wetland support to address and attend Technical Evaluation Panel review of delineation of seep wetland conducted by Tiller's consultant
- Extensive coordination and modification of the pump test conducted to assess potential impacts of Tiller's proposed water use.

The request is broken down by task and then totaled.

1. Task 1 Project Management

Due to Extended Contract Life

Anticipate approximately 6 months in additional time for project management originally based on approximately 10-12 months and related contract modifications. Also reflects inefficiencies due to multiple starts and stops on project work.

Estimated at Completion: \$ 26,700

Budget: \$ 20,700

Task Modification Increase: **\$ 6,000**

2. Task 2 Internal and External Communications

Due to Multiple Project Starts and Stops

Ongoing generation of data needs lists and holding multiple meetings to obtain data. Also reflects inefficiencies due to multiple starts and stops on project work.

Estimate at Completion: \$66,142

Budget: \$58,142

Task Modification Increase: **\$8,000**

3. Task 7.5 Cover Types

Additional Wetland Support

Site visits with agencies regarding seep wetland. Attending site review with the Technical Evaluation Panel (TEP) reviewing seep wetland mapping conducted by Tiller's consultant and related early agency coordination not in contract scope.

Estimated at Completion: \$5,500

Budget: \$2,720

Task Modification Increase: **\$ 2,780**

Task 7.8 Water Use

Pump Test Scope Coordination and Modifications

- **Contract Scope**

The contracted scope of work was developed to address Tiller's revised water use plan. Tiller's revised water use projection was to pump at a rate of less than 10,000 gallons per day (gpd) at a rate of up to 1,200 gallons per minute (gpm) for a few minutes a couple of times a day, or at a lesser rate for up to eight minutes a day during periods of operation.

As a result, AECOM planned to conduct two, 10-min pump tests with the second test following first after two-hour recovery. AECOM included monitoring water levels during the pump test at the following sites:

- Zavoral Cabin Well - about 1,300 ft east of Zavoral Site Well;
- Trail's End Bar & Grill 1 - about 1,700 ft west of Zavoral Site Well;
- Zavoral Creek at culvert.

Upon project initiation, AECOM and the City coordinated with several interested parties. The time spent in conducting this coordination and site visits and evaluations to refine the pump test was significant. In addition, the pump test timeframe was extended by several orders of magnitude, with the pre- through post pump test monitoring period from a little over a day to more than a week. This is reflected in increased labor, monitoring equipment, and driller costs.

- **Additional Coordination**

Although no DNR permit would be required for the level of water use proposed by Tiller, AECOM (as agreed upon with City staff) coordinated with the DNR regarding the pump test to facilitate the agency's ongoing involvement with the EIS process. The DNR agreed that the proposed pump test technically represented planned water use scenarios, but suggested considering a longer test to help address public perceptions related to water use. AECOM, in agreement with the City and Tiller, accordingly extended the pump test time frame.

The DNR also suggested that the pumps be pulled from wells that were planned as monitoring points and that tests be conducted on the wells to ensure that they were in good hydrologic connection with the aquifers and not plugged. These tests were conducted and resulted in additional time and drilling subcontractor costs due to multiple mobilizations to pull and restore pumps in wells.

- **Citizen and PAC input**

AECOM and City staff also held discussions with local citizens and received input from the PAC developed for the project. As a result the pump test timeframe was extended (ran for 4 hours, which was determined to be sufficient for analyzing potential impacts). This included pre- and post-monitoring of all monitoring sites that amounted to several days of additional work. AECOM also met with local citizens, reviewed their suggested monitoring sites, evaluated them for applicability, and gained access to the sites that were determined to be suitable monitoring sites.

The purpose of this monitoring was to verify if pumping had any detectable effect on water levels in the nearby creeks, wells, and other monitored surface water features. The following additional sites were monitored:

- Zavoral Creek close to the Crystal Springs, about 1,100 feet northwest of the Zavoral Creek's culvert.
- Unnamed creek – next creek south of Zavoral Creek, about 500 feet south of the Zavoral Creek's culvert.
- Unnamed creek at the north end of culvert below Quint Avenue North, west of railroad tracks, short distance down-gradient from spring box, about 2,800 feet south of the Zavoral Creek's culvert.
- Water discharge point.
- Water discharge basin.

After measuring the depth of and testing the Trails End Well, AECOM determined that it may not intercept the targeted aquifer. As a result, AECOM, in agreement with City staff and Tiller, added the Magnuson well that intercepted the targeted aquifer to the monitoring network, and obtained an access agreement.

AECOM also worked with the Watershed District and they installed monitoring equipment at this location that was used during the pump test and can be left in place as a long term monitoring point.

The level of effort for this task was in a state of continuous modification to provide a product that was most acceptable to all involved parties. The scope was expanded, resulting in the following:

Actual Cost to date:	\$53,718
Estimated at Completion:	<u>\$60,000</u>
Budget:	\$17,449
Task Modification Increase:	\$42,551
Total Requested Contract Modification Increase:	\$59,331