



February 7, 2022

Steve Christensen
Leelanau County Drain Commissioner
8527 E. Government Center Dr.
Suite 205
Suttons Bay, MI 49682

RE: Leland Dam
Leelanau County, MI
Dam Value Determination– Probable Estimate of Replacement Construction Cost

Steve,

This document contains Spicer Group's proposal to you for the preparation of an Engineers estimate of probable construction costs to replace the Leland Dam in kind.

Background and Purpose

It is our understanding that Leelanau County as the owner of the Leland Dam is seeking insurance coverage for the structure. As part of this process a value for the dam needs to be determined.

The purpose of our proposal is to assist the Leelanau County Drain Commissioner in making this determination of value. Spicer Group will prepare an estimate of probable full replacement construction costs. This estimate will be determined based on today's estimated construction costs. This estimate of probable replacement construction cost in today's dollars may be enough for the intended purpose.

However, if a depreciated value is needed, we will also determine or estimate the date of construction of the current dam and its components, the estimated service life of these various components, and the remaining service to assist with a potential depreciated value of the dam.

Our scope of work, estimated fee, and anticipated schedule for the dam inspection is outlined below:

Scope of Work

1. Obtain relevant information from you, or previous owners and operators of the dam. Information compiled during the previous dam inspection will be utilized. Additional information such as construction records, contracts, progress payments, inspection reports, as built plans, invoices, historical photos, etc. will be helpful in determining quantities and costs.
2. Review all collected documents to determine:
 - a. Phases of construction and dates
 - b. Materials used for construction and methods of installation.
 - c. Quantities of materials installed

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- d. Estimated service life and remaining service life of various dam components
3. Prepare a probable estimate of construction costs to fully replace the dam in kind. This estimate will be broken down into various construction components-based materials, date of construction, typical service life, etc.
4. An engineering estimate of probable replacement construction costs spreadsheet will be prepared summarizing the various components, their costs, their construction date, service life, and remaining service life.
5. Provide a draft copy of this estimate to the County and anyone else the County identifies to for review and comment.
6. Modify the draft estimate and prepare a final engineer's estimate of probable replacement construction costs and remaining service life by various components.

Services Not Included

For a clearer understanding of our work scope, the following is not included in our Scope of Basic Professional Services.

1. Additional survey or measurements of the dam are not planned at this time. We will utilize existing construction documents for our quantity takeoffs.

Additional Services

Additional services related to this project will be furnished by us only after you authorize the work. Our fee for the additional services will be determined at the time they are agreed to and rendered.

Fees

Our fee for the completion of the dam inspection and dam inspection report is a lump sum in the amount of **\$2,400**.

We have calculated these fees based on our understanding of the requested scope of work. Should we approach the amount of the fee for any reason before we are finished with the work, if the scope changes or our understanding was incorrect, we will notify you and discuss with you the option of adjusting the amount of the fee or adjusting the scope of services.

Schedule

We will coordinate the work outlined in this proposal with you. We can commence the initial work for this estimate this winter/spring. We may need to coordinate a review or a means of obtaining construction records that are not available in previous reports and as-built drawings. We would anticipate completing our draft report for review in the Spring of 2022.

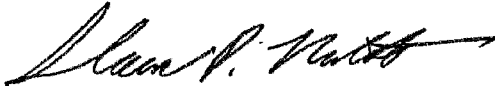
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Attached to this letter is a copy of our general conditions for our services which are part of this agreement. Any changes to this agreement must be agreed to by both of us in writing.

If this proposal meets with your approval, please acknowledge this approval with an authorized signature below and return the enclosed copy to us.

We deeply appreciate your confidence in Spicer Group, and we look forward to working with you and for you on your project.

Sincerely,



Shawn P. Middleton, P.E., CFM
Principal

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Charles R. Smith, P.E., CFM
Project Manager

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Above proposal accepted and approved
by Owner.

LEELANAU COUNTY

By: _____
Authorized Signature

Date: _____