

INTER-OFFICE COMMUNICATION

TO : Tom Tayan  
FROM : Mary Gearhart

DATE : January 29, 1982  
SUBJECT : 1080337-26  
Grand Junction/Mesa City

I've reviewed the engineering contract between the grantee and HDR for Step III services. First, I have some questions that I feel should be answered by them:

- 1) If the total contract is \$1,990,000 then why does their application for amendment show \$1,960,000?
- 2) Does their proposal include \$59,000 as proposed by Chen & Associates and an overhead cost for HDR on top of that profit?

Secondly, they do not make any difference between eligible and ineligible work. Therefore, we will specify in the special conditions that they will be paid for a percentage of the billed

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Signature

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engineering costs in the following manner:

Schedule A	# 10,000,000
Schedule B	# 5,854,000
Schedule C	# <u>667,000</u>
Total Construction Cost	# 16,521,000

$$\% \text{ ineligible} = \frac{\text{Schedule C}}{\text{Total Const. Cost}} = \frac{667}{16,521} = .0404$$

That will apply to all pay requests.  
or at least all engineering costs.

cc: Frank Razick  
Betty Simmons

Mary Gearhart  
Signature