

Michael (Mac) McNamara

From: Mark Strombotne [MLS@StrombotneLaw.com]
Sent: Tuesday, February 20, 2007 4:33 PM
To: Michael (Mac) McNamara
Cc: Carrie.R.Martin@seagate.com; landstrom@covad.net
Subject: RE: Brush Road Status
Categories: External

Michael,

Here are my thoughts:

1st. The bids in excess of \$100k sound high. I know you've had trouble getting contractors to bid, but if you have any more contractor candidates who might be suitable, then I think you should get one more bid so you have a total of three.

2nd. If the volume of dirt is uncertain, why not structure the contract to pay a designated charge per load, so you only pay for what you get. Then you don't need to hire the engineer to calculate precise quantities.

3rd. I agree we should present the 2 or 3 bids to Caltrans for their review and comment and to seek a financial commitment from them.

Let me know if you need any more input from me at this time.

Mark

-----Original Message-----

From: Michael \ (Mac) McNamara
Sent: 2/20/2007 12:23 PM
To: Mark Strombotne
Cc: Carrie.R.Martin@seagate.com; landstrom@covad.net
Subject: Brush Road Status

I met with our engineer (Roy Nelson) and a neighbor (Michael Hunt) at the site. We observed additional erosion, but by and large the site is the same - could collapse in the next rain, but hasn't collapsed yet.

At present we have a conceptual plan from the engineer which details the work to be done, with hydrology calculations. We do not have an on site survey, or a specification of precise quantities of materials needed. (Cost estimate to prepare such refinement to the plan is \$10 to \$15k)

We have two contractor estimates to perform the work, with significant uncertainty as they do not know how many dump trucks of what are needed. The bids are for \$102k and \$123k.

9/13/2009

We came up with the following roadmap:

- 1) Meet with Cal Trans and present the Brush conceptual plan, and also the original conceptual plan that Cal Trans provided. Share with them the cost estimates we have for the Brush Plan. Seek input from Cal Trans as to which plan they like. Seek reaffirmation of the amount Cal Trans would fund.
- 2) Based on the choice of plan and funding level, we commission the engineering to do survey, calculate quantities, and produced a revised plan.
- 3) Send the revised plan to our contractors, seeking a revised bid.
- 4) (Optionally) meet with contractors to answer any questions they have about the revised plan.
- 5) Receive bids and choose a contractor to do the work.
- 6) Commence the work.

Some additional notes:

A) The Brush plan is designed to minimize the cost of maintenance going forward. The Cal Trans plan is designed to put the site back together, which may be not possible (or be prohibitively expensive), given the actual degradation of the pipe under the road, the lack of safe space to use to place the equipment to do the insert insertion, as well as the need for Brush to develop capability to maintain this one site.

B) We may decide that the cost exposure of the quantity uncertainty is less than the cost of removing that uncertainty - I.E., if a dump truck of rock costs \$1k, and we think we need five, but would need at maximum ten, it may not be worth spending \$15k to learn we need precisely 7 dump truck loads.