

## Smith, Ralph N - DNR

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**From:** Dave Larsen <dlarsen@reiengineering.com>  
**Sent:** Monday, January 22, 2018 3:48 PM  
**To:** Smith, Ralph N - DNR  
**Subject:** Four Corners  
**Attachments:** 0277\_001.pdf

Hello Ralph, thank you for the quick response on the well abandonment approval for Four Corners.

I am looking for a clarification on a few of the cost denials. Costs were denied for variance mobilizations charges. I'm sure you are aware that U&C mob fees were historically based on "bundling" sites. With PECFA being closed to new sites and a strong push to close existing sites, it is becoming more difficult to conduct U&C scope of services with long mobilization for the allowable U&C rates. For this site REI used the federal mileage rate (\$0.545/mile) and our historically approved PECFA travel time rate of \$75/hour and came up with \$613.50. This is \$251.25 more than the allowable U&C rate for this scope of services and why we chose the variance approach.

REI is also curious why the change order request was denied. REI has a long history of requesting, and being approved, a change order request for well abandonment activities. Was this a site specific denial, or is PECFA changing how they issue well abandonment approvals?

Thank you,

*David N. Larsen P.G*


*Senior Hydrogeologist / Professional Geologist*



**David N. Larsen, P.G.**  
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State of Wisconsin  
DEPARTMENT OF NATURAL RESOURCES  
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Madison, WI 53703

Scott Walker, Governor  
Daniel L. Meyer, Secretary  
Telephone 608-266-2621  
Toll Free 1-888-936-7463  
TTY Access via relay - 711



RECEIVED

JAN 22 2018

January 18, 2018

David A Zepczyk  
Four Corners Food & Spirit  
30015 Co Hwy E  
Mason, WI 54856

RE: **Public Bidding Deferred – Cost Cap Approved**  
**DNR BRRTS # 03-04-104167 PECFA # 54856-9726-78-A**  
Four Corners Tavern, 30015 County Hwy E, Mason

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On January 17, 2018, the Wisconsin Department of Natural Resources (Department) received a scope of work (SOW) and cost estimate utilizing the chapter NR 747, Wisconsin Administrative Code, Usual and Customary Cost Schedule (Cost Schedule) for the site referenced above.

The Department has determined that the submitted SOW is reasonable and **approves** the additional costs. This site will be deferred from the public bidding process at this time. The Department will contact you if this site will be bid in the future.

Costs are approved for groundwater monitoring well abandonments and the change order request. Well Abandonment Mob/Demob costs are not approved as requested as a Variance Request in the amount of \$613.50, but instead these costs are approved in the amount of \$362.25 which is the maximum Cost Schedule rate. The costs request for a Change Order Request is denied because monitoring well abandonments are not a defined as a change in scope of service for the impending closure of this site. A copy of the Department worksheet for the Cost Schedule tasks is enclosed for your reference.

**Deferment Cost Cap Approved:**

**\$769.25**

Be reminded that ch. NR 700 semi-annual progress reporting is required until this case is closed.

**Note:** A claim for PECFA reimbursement must be submitted within 180 days of incurring costs (i.e., completing a task). If a claim for costs incurred is not submitted within this deadline, the costs will not be eligible for PECFA reimbursement. If you need assistance with filing your claim, please contact Tim Prosa at (608) 261-7715.

Usual and customary costs for activities included in this approval will only be reimbursed at a rate equal to or less than what is allowed on the Cost Schedule, and are reimbursed based upon the Cost Schedule that is in effect at the time the activity is performed. Costs for activities not included in this approval are not reimbursable without prior Department authorization.

Regulatory Correspondence (Task 7, Activity RC05), Claim Submittal (Task 27, Activity CS05) and Standardized Invoice (Task 28, Activity SI05) costs are not included in the cap approved above. These

activities will be reimbursed according to the task specifications and with proper supporting documentation submitted with the PECFA claim.

The Department considers the consultant the primary controller of costs during these activities. This approval does not guarantee eligibility of any specific costs that have been incurred or that may be incurred in the future. Final determination regarding the eligibility of costs will be made by the claim reviewer when the entire claim, including all invoices and reports, is submitted for payment.

Thank you for your efforts to protect Wisconsin's environment. If you have any questions, please contact me in writing at the letterhead address or by telephone at (608) 261-6543.

Sincerely,



Ralph N. Smith  
Hydrogeologist  
Remediation and Redevelopment Program

Enclosure: Usual and Customary Cost Schedule Worksheet (January 18, 2018)  
PECFA Costs Request (Proposal Date January 17, 2018)

cc: Dave Larsen - REI Engineering Inc (Agent/Consultant)

# Usual and Customary Standardized Invoice #23

## January 2018- July 2018



RR-092a

PECFA #: 54856-9726-78  
 BRRTS #: 03-04-104167  
 Site Name: Four Corners Tavern  
 Site Address: 30015 County Hwy E, Mason

Vendor Name: REI Engineering, Inc.  
 Invoice #:  
 Invoice Date: 18-Jan-18  
 Check #:

U&C Total \$ 769.25  
 Variance to U&C Total \$ -  
 Grand Total \$ 769.25

TASK	TASK DESCRIPTION	SERVICES	ACTIVITY CODE	ACTIVITY REFERENCE CODE DESCRIPTION	UNIT	PER UNIT COST	UNITS	TOTAL AMT
8	Well Abandonment	Consultant	WAB05	Coordination	Site	\$ 162.86	1	\$ 162.86
8	Well Abandonment	Consultant	WAB10	Water column < 30 ft	Ft	\$ 2.52	84	\$ 211.68
8	Well Abandonment	Consultant	WAB20	Bentonite Pellets (50lb bag - 1/4" pellet)	Bag	\$ 10.82	3	\$ 32.46
8	Well Abandonment	Consultant	WAB30	Primary Mob/Demob	Site	\$ 362.25	1	\$ 362.25
36	Change Order Request	Consultant	COR05	Change Order Request (cost cap exceedance requests)	Change Order	\$ 381.78	0	\$ -
VARIANCE	Variance Request for Mob/Demob Consultant	Consultant	Variance	Variance Request for Mob/Demob of Consultant in the amount of \$613.50	Variance	\$613.50	0	\$0

# Usual and Customary Standardized Invoice #23

## January 2018- July 2018



RR-092a

PECFA #: 54856-9726-78  
 BRRTS #: 03-04-104167  
 Site Name: Four Corners Tavern  
 Site Address: 30015 Cty Rd E, Mason

Vendor Name: REI  
 Invoice #: \_\_\_\_\_  
 Invoice Date: Proposal Date 1-17-18  
 Check #: \_\_\_\_\_

U&C Total \$ 788.78  
 Variance to U&C Total \$ 613.50  
 Grand Total \$ 1,402.28

TASK	TASK DESCRIPTION	SERVICES	ACTIVITY CODE	ACTIVITY REFERENCE CODE DESCRIPTION	UNIT	MAX UNIT COST	UNITS	TOTAL MAX
8	Well Abandonment	Consultant	WAB05	Coordination	Site	\$ 162.86	1	\$ 162.86
8	Well Abandonment	Consultant	WAB10	Water column < 30 ft	Ft	\$ 2.52	84	\$ 211.68
8	Well Abandonment	Consultant	WAB20	Bentonite Pellets (50lb bag - 1/4" pellet)	Bag	\$ 10.82	3	\$ 32.46
36	Change Order Request		COR05	Change Order Request (cost cap exceedance requests)	Change Order	\$ 381.78	1	\$ 381.78
Variance	Well Abandonment Mobilization				Variance	\$613.50	1	\$ 613.50

**Variance Request  
 Four Corners Tavern  
 Well Abandonment  
 Proposal Date 1-17-18**

Unit Costs are based on present values on above listed date

Cat #	Description	Units	Quantity	Unit Cost	Event	Events	Total Cost	Subtotal
	<b>Consulting Charges</b>							
	Travel Time	hr	6	\$75.00	\$450.00	1	\$450.00	
	Mileage	mi	300	\$0.545	\$163.50	1	\$163.50	
							<b>Total Consulting Charges</b>	<b>\$613.50</b>

\\reifnpl\projects\5300-5399\5377 - Four Corners\5377 Four Corners moved to P\5377 Proposed Work\2018\5377 Well Abandonment.xlsx\Varaince