



ENGINEERS, INC.

Ms. Joy Baker
City of Nome Port Director
P.O. Box 281
Nome, AK 99762

August 12, 2022
211002

Subject: Nome Local Services Facilities – Permitting Proposal

Dear Ms. Baker:

PND Engineers, Inc. (PND) is pleased to provide this proposal to the City and Port of Nome (City) for permitting support for the Arctic Port Expansion Project (APEP), Phase I. A detailed scope of work is outlined below.

Phase I LSF Permitting:

PND has reached out to Owl Ridge Natural Resource Consultants, Inc. (Owl Ridge) to provide preparation of an Incidental Harassment Authorizations (IHA) application for the first year of construction on Phase I of the APEP. The proposal from Owl Ridge is attached for your review.

During preparation of the application PND will need to provide support to Owl Ridge in the form of information regarding construction techniques, timing, assumed schedule, equipment etc. The fee below includes the subcontractor's costs as well as management and support costs from PND during the preparation of the applications by Owl Ridge.

Proposed Project Fees:

PND proposes to complete the above scope of work for the fees and fee structure outlined in Table 1. Should items outside the scope of work described above be required, PND can provide those on a T&M basis per the attached Standard Rate Sheet.

Table 1: Fees

Item	Fee Structure	Fee
Owl Ridge (Subconsultants)	T&M	\$142,828
PND Management and Support	T&M	\$20,640
Subtotal	T&M	\$163,468

We look forward to working with you on this project. Should you have any questions or wish to discuss, please feel free to contact us.

Sincerely,

PND Engineers, Inc. | Anchorage Office

Bryan Hudson, P.E., SE.
Principal

Doug Kenley, P.E.
Vice President

Attachments: Owl Ridge Proposal (12pgs)
PND Standard Rate Schedule (1pg)



August 10, 2022

Bryan Hudson
PND Engineers, Inc.
1506 W. 36th Avenue
Anchorage, AK 99503
Submitted via email: bhudson@pndengineers.com

**Subject: Scope of Work and Cost Estimate – MMPA and ESA Support
Port of Nome Modifications, Nome, Alaska**

Dear Mr. Hudson:

Owl Ridge Natural Resource Consultants, Inc. (Owl Ridge) is providing this scope of work (SOW) and cost estimate to PND Engineers, Inc. for regulatory support pertaining to the Marine Mammal Protection Act (MMPA) and Endangered Species Act (ESA) for the planned modifications of the Port of Nome, Alaska.

SCOPE OF WORK

Task 0.0: Project Management

Task 0.0 includes coordination of resources and processes to ensure the proposed services are delivered on time, on budget, and produce the desired result. Project management tasks include the time required for internal management, budgets, monthly reporting, and monthly invoicing and will not exceed 5% of the overall project costs.

Task 1.0: MMPA Support

This project is planned to occur in three phases during the in-water construction season (May through October):

- Phase 1 – 2024 through 2027 (4 construction seasons)
- Phase 2 – 2025 through 2027 (3 construction seasons)
- Phase 3 – 2027 through 2030 (4 construction seasons)

Phase 1 is expected to require four construction seasons beginning in 2024. Because of the underwater noise associated with the port modification activities, mainly pile driving, this project has the potential to acoustically harm marine mammals protected under the MMPA. Task 1 includes the Incidental Harassment Authorization (IHA) for the first year of Phase 1 only (Year 1, Phase 1). Phase 1 includes construction of a roughly 3,500-foot L-shaped extension of the existing west causeway and an

approximately 2,030-foot continuous open cell sheet pile (OCSP) dock along the basin side of the causeway extension over four construction seasons.

Owl Ridge understands that the U.S. Army Corps of Engineers (USACE) needs to have the project completely permitted by mid-March 2023. To meet this goal Owl Ridge proposes to develop and request an IHA for Year 1 to expedite the permitting process. If agreed to by all parties, subsequent years of Phase 1 may be better covered with a multi-year Incidental Take Authorization, which would be prepared under a separate Scope of Work.

Task 1.1: IHA and 4MP Preparation (NMFS/USFWS)

IHA applications would be developed for both the National Marine Fisheries Service (NMFS) and U.S. Fish and Wildlife Service (USFWS). A Marine Mammal Monitoring and Mitigation Plan (4MP) would be developed to address all marine mammal species as part of the IHA.

Task 1.2: Agency Consultation

The IHA application and approval process will require consultation with NMFS and USFWS. Task 1.2 will include reviewing and addressing NMFS, USFWS, and public comments on the draft IHA applications and 4MP and any other consultation required to take the IHA application to approval.

Task 2.0: Plan of Cooperation / Stakeholder Engagement

A requirement of the IHA is to have a subsistence Plan of Cooperation (POC) with the local communities to demonstrate how the USACE will avoid disturbance to subsistence activities. The POC will be attached as an appendix to the IHA application and will include a stakeholder engagement meeting plan.

Task 2.1: Draft Plan of Cooperation

Owl Ridge will prepare a Draft POC and implementation plan to review and refine with PND and USACE. The POC will include the following elements:

- Description of mitigation measures integrated into the project that ensure the proposed activities will not interfere with subsistence whaling or sealing.
- Meetings scheduled with the community of Nome and local organizations that may be affected by the project to discuss the proposed activities and to understand the potential conflicts regarding any aspects of either the port modifications or the POC.
- Methods that PND and USACE will use to continue to communicate with affected communities, both prior to and during operations.

Task 2.2: Logistics and Meeting Preparation

Owl Ridge will prepare all meeting materials, local notifications (e.g., flyers, radio announcements), and logistics required for community meetings.

Task 2.3: POC Meetings

PND, USACE, and Owl Ridge will travel to Nome to present the POC and project plan to the community and local organizations. Owl Ridge will assist PND and USACE in navigating the POC process to maintain a positive and cooperative reputation in the communities without incurring onerous and costly operational restrictions.

Task 3.0: ESA Support

In 2019, NMFS determined the project had not advanced to a level that provided sufficient detail to engage in ESA section 7 consultation and recommended the USACE submit a revised request for concurrence once sufficient project details were known. The USACE completed a draft Biological Assessment (BA) in 2020 as part of a feasibility study. This BA, which covered the entire project (all phases) was never submitted to NMFS and will need to be revised by the USACE with the most recent project details and submitted to NMFS for concurrence.

In 2019, the USFWS determined that a BA and additional section 7 consultation for USFWS managed species (spectacled eider, Steller's eider, and polar bear) was not necessary, but to contact USFWS if the project undergoes any significant changes.

Task 3 includes NMFS and USFWS (if necessary) BAs for Year 1, Phase 1 of the project only to accompany the NMFS and USFWS IHAs (prepared under Task 1.1).

Task 3.1: Draft NMFS Biological Assessment

Owl Ridge will develop the BA for NMFS-managed ESA-listed species and critical habitat to accompany the NMFS IHA for Year 1, Phase 1 of the project. There are 10 NMFS-listed species to be addressed in the BA: ringed seal, bearded seal, gray whale, humpback whale, Steller sea lion, sperm whale, North Pacific right whale, bowhead whale, fin whale, and blue whale. Critical habitat for ringed seal, bearded seal, and Steller sea lions will be evaluated. A petition for expanding North Pacific right whale critical habitat was posted in June 2022, and will be evaluated, as applicable to the project.

Task 3.2: NMFS Section 7 Consultation

Owl Ridge will engage NMFS regarding ESA Section 7 consultation, to discuss project changes since the initial 2019 consultation. Owl Ridge will support PND and USACE and work closely with NMFS to streamline the consultation process.

Task 3.3: Draft USFWS Biological Assessment (To Be Determined)

If determined necessary though initial consultation with USFWS, Owl Ridge will develop the BA for USFWS-managed ESA-listed species and critical habitat to accompany the USFWS IHA for Year 1, Phase 1 of the project. There are five USFWS-listed species to be addressed in the BA: polar bear, spectacled eider, Steller's eider, Northern sea otter, and short-tailed albatross. Critical habitat for polar bear, spectacled eider, and Steller's eider will be evaluated.

Task 3.4: USFWS Section 7 Consultation

Owl Ridge will engage USFWS regarding ESA Section 7 consultation, to discuss project changes since the initial 2019 consultation. Owl Ridge will support PND and USACE and work closely with USFWS to streamline the consultation process.

SCHEDULE

The USACE SOW dated August 5, 2022 includes the following schedule:

Activity	Number of Business Days
1. Contractor to prepare list of information needs	10 (following Notice to Proceed [NTP])
2. USACE response to contractor	2
3. Contractor to prepare draft IHA applications and BA(s); provide to USACE	45*
4. USACE review and respond	5
5. Contractor finalizes IHA applications and submits to NMFS/USFWS; anticipated submittal no later than October 31, 2022	10
<i>Elapsed Business Days from NTP</i>	<i>72</i>

* Assumes that the USACE provides a complete up-to-date project description with its response to the contractor's list of information needs.

The USACE recognizes that once submitted to NMFS/USFWS, the processing time of an IHA application may take 5-7 months (per official NMFS guidance) or as much as 9-12 months (per actual observed average).

PROJECT DELIVERABLES

The following is a full list of all project deliverables:

Task	Deliverable	Description
1.1	NMFS IHA Application	An IHA application will address fifteen (15) species managed by NMFS: bearded seal, beluga whale, bowhead whale, gray whale, harbor porpoise, humpback whale, killer whale, minke whale, North Pacific right whale, ringed seal, ribbon seal, sei whale, spotted seal, Steller sea lion, Stejneger's beaked whale .
1.1	USFWS IHA Application	An IHA application will address three (3) species managed by USFWS: Pacific walrus, Northern sea otter, and polar bear.
1.1	Marine Mammal Monitoring and Mitigation Plan (4MP)	The 4MP is a necessary component of the IHA applications, and details how stipulations in the IHA will be implemented to minimize impacts to local marine mammals caused by underwater noise from project activities. All NMFS and USFWS species will be covered under the same 4MP.
2.1	Draft Plan of Cooperation (POC)	A POC will be developed to meet the requirements of Section 12 of the IHA application.

Task	Deliverable	Description
2.1	Revised POC	If required as a result of agency review, the POC will be revised.
3.1	Draft NMFS BA	The Draft BA for Year 1, Phase 1 of the project will address 10 NMFS-managed species: ringed seal, bearded seal, gray whale, humpback whale, Steller sea lion, sperm whale, North Pacific right whale, bowhead whale, fin whale, and blue whale.
3.3 (TBD)	Draft USFWS BA	The Draft BA for Year 1, Phase 1 of the project will address five (5) USFWS-managed species: polar bear, spectacled eider, Steller's eider, Northern sea otter, and short-tailed albatross.

ASSUMPTIONS

The following assumptions were used to develop the cost estimate:

Task 1.0: MMPA IHA/4MP

- PND/USACE will provide the necessary operational details (work plan).
- The exact list of species to be addressed and the level of discussion needed for each species may change after consultation with the agencies.
- Cost of consultation is based on estimated hours, not a specific deliverable.
- The time estimated for agency consultation is based on previous consultation experience but may vary due to project-specific considerations.
- A NMFS peer-review meeting is not included as it has not been part of the IHA process in recent years.

Task 2.0: POC

- The strategy will be to maximize communication in meetings with leaders while they are in Anchorage or by virtual meetings (e.g., Zoom, Teams), to minimize travel needs.
- Forty (40) hours of meeting time each for two Owl Ridge staff to accompany PND/USACE representatives to POC/subsistence meetings in Nome, Anchorage, and/or via virtual meetings.
- Includes round-trip travel between Anchorage and Nome on regularly scheduled airlines and two nights lodging in Nome for two Owl Ridge employees to attend POC/subsistence meetings in Nome.
- Includes rental fees of meeting facility, catering, local-hire assistance during meetings, Interpreter, and \$300 for door prizes.
- Estimate does not include potential delays that may result from natural events (e.g., weather delays), or other items outside Owl Ridge's control.

- No additional travel or lodging included to meet at communities outside of Nome.
- Locations and number of meetings may change after initial consultation with agencies and affected communities.

Task 3.0: BAs and Section 7 Consultation

- BAs will be prepared for Year 1, Phase 1 only of the project to accompany the NMFS and USFWS IHAs.
- Ten NMFS-managed species and five USFWS-managed species will be addressed, however, the exact list of species to be addressed and the level of discussion needed for each species may change after consultation with the agencies.
- Travel for two trips between Homer and Anchorage for Dr. Kate Lomac-MacNair to attend agency meetings and meeting with PND/USACE in Anchorage.
- No subcontractors included.
- The budget assumes informal consultation; effort associated with formal consultation is not included.
- Cost of consultation is based on estimated hours, not a specific deliverable.
- The time estimated for agency consultation is based on previous consultation experience but may vary due to project-specific considerations.

COST ESTIMATE

A cost estimate (Attachment 1) based on a time-and-materials basis is attached for this proposed work. The 2022 fee schedule (Attachment 2) is included.

STATEMENT OF CONFIDENTIALITY

This proposal for services is provided to PND and its designees with the express understanding that it will be held in strict confidence and will not be disclosed, duplicated, or used, in whole or in part, for any purposes other than evaluation of this proposal or otherwise in connection with the resulting contract. The release, use, or distribution of this information to organizations outside PND would subject Owl Ridge to harm and the loss of competitive advantage.

CONCLUSION

We look forward to working with PND and providing MMPA and ESA support for the Port of Nome modifications project. If you have questions on this proposal, feel free to contact me at your convenience at mblees@owlridgenrc.com or 907-891-7264.

Thank you for your consideration.

Sincerely,
Owl Ridge Natural Resource Consultants, Inc.

A handwritten signature in black ink, appearing to read "Megan Blees". The signature is fluid and cursive, with the first name "Megan" being more prominent than the last name "Blees".

Megan Blees | Senior Scientist

cc:

Dr. Kate Lomac-MacNair | Owl Ridge Natural Resources Consultants, Inc.
Glenn Ruckhaus | Owl Ridge Natural Resources Consultants, Inc.

Enclosed:

Attachment 1 – Detailed Cost Estimate
Attachment 2 – Schedule of Fees

ATTACHMENT 1
DETAILED COST ESTIMATE

PND Engineers, Inc.
Port of Nome MMPA/ESA Support
Period of Performance
COST SUMMARY



COST ELEMENT		HOURLY RATE	DURATION	AMOUNT
DIRECT LABOR				
M. Blee	Sr. Scientist 4	\$ 178.00	391 Hour	\$ 69,598
K. Lomac-MacNair	Sr. Scientist 4	\$ 178.00	261 Hour	\$ 46,458
P. Cartier	Sr. Scientist 4	\$ 178.00	28 Hour	\$ 4,984
S. Walker	Sr. Scientist 2	\$ 145.00	36 Hour	\$ 5,220
C. Keil	Scientist 2	\$ 88.00	112 Hour	\$ 9,856
TOTAL ORNRC LABOR			828	\$ 136,116
DIRECT EXPENSES				
EQUIPMENT & MATERIALS				\$ -
PER DIEM & LODGING	Nome during POC meetings			\$ 1,472
TRANSPORTATION	Travel: ANC-OME; HOM-ANC			\$ 1,630
OTHER DIRECT COSTS				\$ -
MISC. COSTS	POC: Rental fees, catering, local-hires, Interpreter, door pr			\$ 3,000
SUBCONTRACTORS				\$ -
SUBTOTAL DIRECT EXPENSES				\$ 6,102
Markup-Direct Costs		10%		\$ 610
Markup-Subcontracts		10%		\$ -
TOTAL DIRECT EXPENSES				\$ 6,712
TOTAL COST				\$ 142,828



PND Engineers, Inc.
Port of Nome MMPA/ESA Support
Period of Performance
COST PER TASK

		TOTAL HOURS	TOTAL DAYS	LABOR COSTS	EQUIPMENT COSTS	DIRECT COSTS	MARKUP (Direct Costs) 10%	SUB- CONTRACT	MARKUP (Subcontract) 10%	TOTAL COSTS
0.0	PROJECT MANAGEMENT	32	0	\$ 5,696	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,696
	0.1 SOW, Schedule, Budget Management	32		5,696	-	-	-	-	-	\$ 5,696
1.0	MMPA Support	265	0	\$ 44,746	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,746
	1.1 IHA/4MP Preparation (NMFS/USFWS)	172		28,912	-	-	-	-	-	\$ 28,912
	1.2 Agency Consultation	93		15,834	-	-	-	-	-	\$ 15,834
2.0	POC / Stakeholder Engagement	170	0	\$ 26,984	\$ -	\$ 5,272	\$ 527	\$ -	\$ -	\$ 32,783
	2.1 Draft POC	28		4,132	-	-	-	-	-	\$ 4,132
	2.2 Logistics & Meeting Preparation	62		8,612	-	-	-	-	-	\$ 8,612
	2.3 POC Meetings	80		14,240	-	5,272	527	-	-	\$ 20,039
3.0	ESA Support	361	0	\$ 58,690	\$ -	\$ 830	\$ 83	\$ -	\$ -	\$ 59,603
	3.1 Draft NMFS Biological Assessment	145		23,386	-	-	-	-	-	\$ 23,386
	3.2 NMFS Section 7 Consultation	74		12,812	-	830	83	-	-	\$ 13,725
	3.3 Draft USFWS Biological Assessment (TBD)	90		13,596	-	-	-	-	-	\$ 13,596
	3.4 USFWS Section 7 Consultation	52		8,896	-	-	-	-	-	\$ 8,896
	TOTAL COSTS	828	-	\$ 136,116	\$ -	\$ 6,102	\$ 610	\$ -	\$ -	\$ 142,828

ATTACHMENT 2
SCHEDULE OF FEES



2022 SCHEDULE OF FEES

Invoices will be submitted on a monthly basis and are payable on a net-30-day basis. Owl Ridge offers a **Prompt Payment Discount** equal to 3% of the Professional Services Fees if full payment for the invoiced amount is received within 15 days of the date marked on the invoice.¹ Services provided by Owl Ridge will be invoiced according to the following:

Professional Services	Categories	Hourly Rates ²
Scientists	Principal Scientist	\$218.00
	Sr. Scientist 5	\$197.00
	Sr. Scientist 4	\$178.00
	Sr. Scientist 3	\$161.00
	Sr. Scientist 2	\$145.00
	Sr. Scientist 1	\$131.00
	Scientist 5	\$118.00
	Scientist 4	\$107.00
	Scientist 3	\$97.00
	Scientist 2	\$88.00
	Scientist 1	\$80.00
Technicians	Technician 3	\$91.00
	Technician 2	\$82.00
	Technician 1	\$74.00
Project Support	Project Assistant 3	\$91.00
	Project Assistant 2	\$82.00
	Project Assistant 1	\$74.00

Other Fees	Fee
Subcontractors	Invoiced at cost plus 10%.
Project Materials	All project related expenses, materials, field supplies, equipment charges, insurance premiums, bonds and letters of credit that are requested by the client in addition to the normal coverage, etc. will be invoiced at cost plus 10%.
Travel and Related Expenses	All travel expenses such as, but not limited to, air travel, rental vehicles, parking, and taxis, will be invoiced at cost plus 10%. Meals and lodging will be invoiced at the client preference of either direct reimbursable plus 10%, or as per diem in accordance with the CONUS audited rates and rules for the destination.
Field Equipment	Owl Ridge owns and maintains a large inventory of equipment necessary to meet client's objectives. This reduces our dependencies in third party rentals and generally results in greater schedule flexibility and value to our clients. The equipment rental list is extensive and can be provided upon request.
Document Production	Project deliverables will be provided in digital format unless otherwise required. If printed copies are requested, small document productions (e.g., 200 pages, 8 large format maps) will be prepared at no additional cost to the client. For large document productions Owl Ridge will invoice for printing costs incurred.
Late Payment	All invoices are payable on a net-30-day basis. Unpaid balances of more than 30 days are charged a 1.5% per month fee.

¹ The credit will be applied on the next invoice. Accounts must be current for all invoices for the Prompt Payment Discount to apply.

² Day rates are available on a case by case basis upon request.

**PND ENGINEERS, INC.
STANDARD RATE SCHEDULE
EFFECTIVE FEBRUARY 2022**

Professional:

Staff Engineer I	\$100.00
Staff Engineer II	\$115.00
Staff Engineer III	\$125.00
Staff Engineer IV	\$130.00
Staff Engineer V	\$135.00
Staff Engineer VI	\$150.00

Senior Engineer I	\$145.00
Senior Engineer II	\$155.00
Senior Engineer III	\$165.00
Senior Engineer IV	\$175.00
Senior Engineer V	\$190.00
Senior Engineer VI	\$210.00
Senior Engineer VII	\$225.00

Environmental Scientist I	\$105.00
Environmental Scientist II	\$125.00
Environmental Scientist III	\$140.00
Environmental Scientist IV	\$155.00
Environmental Scientist V	\$170.00
Environmental Scientist VI	\$180.00

Surveyors:

Senior Land Surveyor I	\$115.00
Senior Land Surveyor II	\$125.00
Senior Land Surveyor III	\$135.00

Technicians:

Technician I	\$60.00
Technician II	\$85.00
Technician III	\$95.00
Technician IV	\$105.00
Technician V	\$130.00
Technician VI	\$150.00

CAD Designer III	\$85.00
CAD Designer IV	\$100.00
CAD Designer V	\$120.00
CAD Designer VI	\$130.00