



**Request for City Council Committee Action
From the Department of Public Works**

Date: January 18, 2011
To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee
Referral: Honorable Betsy Hodges, Chair Ways & Means Committee
Subject: **Increase HDR Engineering Contract for Dewatering Plant Improvements**

Recommendation:

Authorize the proper City officials to increase the scope of services with HDR Engineering, Inc. by \$200,000 for engineering services for the Dewatering Plant Improvements project, to a total of \$2,670,000. The amount is within the project budget (07400-9010950-Project CWTR22) and no additional appropriation is required.

Previous Directives:

- October 2, 2009, City Council accepted an increase to the scope of services of HDR Engineering, Inc. by \$470,000 for engineering services for the Dewatering Plant Improvements project, to a total of \$2,470,000.
- August 28, 2009: City Council accepted \$2 million of "principal forgiveness" funds from the American Recovery and Reinvestment Act of 2009 (ARRA), and a series of recommendations to approve the appropriation for and funding of the project.
- August 28, 2009: City Council accepted the low bid of Graham Construction Services, Inc for an estimated expenditure of \$19,220,000 for construction of the dewatering plant improvements.
- March 27, 2009: City Council authorized negotiation and execution of an agreement with a consultant from the Public Works Consulting Pool for engineering design and construction supervision of the Dewatering Plant Improvements project at the Minneapolis Water Works Facility for an approximate amount of \$2,000,000.

Prepared by: Dale A. Folen. P.E., Senior Professional Engineer, Public Works - Water x4908

Approved by:

Steven A. Kotke, P.E., City Engineer, Director of Public Works

Presenters: Dale A. Folen, Water Treatment and Distribution Services

Reviews

Permanent Review Committee (PRC): Approval ___ Date _____

Civil Rights Approval Approval ___ Date _____

Policy Review Group (PRG): Approval ___ Date _____

Financial Impact

No financial impact

Background/Supporting Information

In early March of 2009 the City became aware of potential grant funding for our Dewatering improvements project within the American Reinvestment and Recovery Act (ARRA) of 2009. To meet the aggressive timelines of this act we drafted an RFP in 7 days and issued it for review by our pool consultants. They reviewed and estimated the cost of all work for the design and construction effort in seven days. On March 27, 2009 the City entered an agreement with a consultant pool team of HDR Engineering, Inc. with subconsultants Howard R. Green Company, and Luken Architecture, P.A. to provide design and engineering services for the Dewatering Plant Improvements project. Our team met the required timelines and allowed the City to capture of \$2,000,000 in ARRA "principal forgiveness" (grant) funding.

Subsequent to that time, City staff submitted an application for "Green Reserve" funds under the ARRA, and the City was awarded an additional \$1,040,092 in principal forgiveness funds. The remaining project costs are being financed by a low interest note (loan) through the Drinking Water Revolving Fund and the ARRA.

During the Construction phase of the project, several engineering issues have arisen that were more costly than anticipated in the initial scope development. These included:

- Evaluation of an alternative foundation design to address unforeseen underground conditions. The new foundation reduced the construction cost. The added engineering costs were less than half of the construction savings.
- Development of a plan for bench scale testing of the Filter Press system during seasonally varying river water quality, and evaluation of pilot scale options.
- More complex review of the roof structure and related building systems for the Gravity Thickeners. These roofs were changed during the design phase to an attractive configuration along East River Road, assisting in acquiring a setback variance from the City of Fridley. (Includes additional fees for subconsultants).
- Additional time needed for confirming and assisting the Contractor and City in compliance with the terms of American Recovery and Reinvestment Act of 2009 (ARRA), primarily the "Buy American" provisions, which were developed and clarified by U.S. EPA during the design phase and early part of construction phase.
- Evaluation and design of a repair for an old underground structure that was found to be damaged when unearthed.
- Assistance in tracking of repairs and corrections during the 1-year warranty period.

City staff has reviewed the fee modifications and agrees that they are reasonable, and further expects that this should be the last amendment to the engineering fee for this project. The engineering contract period should extend past the 1-year warranty, into late 2012.

The project is currently scheduled to begin operation by May 2011, with final clean-up and punch-list work being completed in the summer.

A future Request for City Council Committee Action will describe an anticipated amendment to the General Contractor's contract to cover changes during construction. Those cost changes are still in negotiation and under review.

CC: Pamela Fernandez, Contract Management