

**COUNCIL ACTION FORM**

**SUBJECT: ENGINEERING SERVICES FOR THE WATER POLLUTION CONTROL FACILITY DIGESTER PUMPS, PIPING, AND VALVES REPLACEMENT PROJECT**

**BACKGROUND:**

A comprehensive evaluation of the mechanical condition of the Water Pollution Control Facility was performed in 2012. The end product of that evaluation was a prioritized schedule for the repair or replacement of key mechanical equipment. Based on that prioritized plan, funds were designated in the Capital Improvements Plan to address mechanical systems in the Digester Complex.

On February 2, 2017 a request for proposals (RFP) was issued for design engineering services for the WPC Facility Digester Pumps, Piping, and Valves Replacement project. On March 21, 2017, staff reviewed five proposals from the following firms,

<b>Firm Name</b>	<b>Fee Proposal</b>
Strand Associates, Inc.	\$57,000
Veenstra & Kimm	\$59,700
Bolton and Menk	\$78,600
SEH	\$115,726
HDR	\$117,800

W&PC Staff utilized a “two-envelope” selection process for professional services, where the firm’s qualifications and proposed scope of work is submitted in one envelope, and their proposed fee is submitted in a second envelope. This process allows staff to first review the submitted proposals in order to identify the firm whose qualifications and proposed scope of work are most appropriate. Then, after selecting the preferred firm, staff opens the proposed fee envelopes to confirm that the selected firm is proposing a fee that is in line with what other firms would propose for a similar scope of work. In all cases, the final scope of work and fee is negotiated with the firm identified as having submitted the most appropriate submittal. **It is expected that the final contract price will be different from what was included in the firm’s initial proposal.**

After a thorough review of each firm’s qualifications, Strand Associates was selected as the most qualified firm. Staff next reviewed the proposed scope of work and fee proposal from Strand, and noted that Strand’s initial scope and fee did not include bidding and construction phase services. Staff worked with Strand to define an appropriate level of effort from the consultant during these phases. Staff also asked

Strand to add an additional work task to evaluate a different style of pump for the secondary digesters. This new style has the potential to be much less expensive to maintain, but needs to be evaluated to determine if it is feasible in this specific case.

Design related services will be a lump sum of \$57,000; the original fee proposed by Strand. The exact level of effort required from the consultant during construction cannot be known until after the final pump style is determined, as the installation of a new style of pump could require much more coordination than simply replacing “like with like” equipment. After numerous discussions with Strand, staff is recommending that the bidding and construction related services be billed on an hourly basis as needed in a not to exceed amount of \$70,700. This brings the total contract amount to \$127,700.

Staff evaluated the reasonableness of this fee in two different ways.

- First, it is in line with the fees proposed by HDR and SEH, both of whom had included the bidding and construction phase services in their proposal. Staff noted that while V&K had included bidding and construction services in their scope of work, the review of their proposal strongly suggested that they did not fully understand the project’s requirements and had not accounted for everything in their proposed fee that would have been required.

Staff was not comfortable with the overall experience of the team proposed by Bolton & Menk and was concerned about the apparent lack of significant history of the team members working together on similar projects.

- The second method of evaluating the fees is more anecdotal. Based on staff’s recent experience, a general guideline for consulting fees for this type of custom-designed project is within a range of 10% to 15% of the construction costs. Using the budget-level estimates in the Capital Improvements Plan, Strand’s proposed fee is 10.7% of the budgeted construction costs.

The amended FY 16/17 budget includes \$629,000 for pipe and valve replacements. The FY 17/18 CIP has \$360,000 for the replacement of five primary digested sludge pumps and \$336,000 for the replacement of two secondary digested sludge pumps. Combined, the total authorized project budget is \$1,325,000 for engineering, construction and contingency.

### **ALTERNATIVES:**

1. Award a contract for engineering services to Strand Associates, Inc. of Madison, Wisconsin for the WPCF Pump, Piping, and Valve Replacement Project in an amount not to exceed \$127,700.
2. Award the contract for engineering services to another firm.

3. Do not award a contract to Strand Associates, Inc. and do not complete the project at this time.

**MANAGER'S RECOMMENDED ACTION:**

The WPC digesters and associated equipment are almost 30 years old. The pumps and certain piping and valves have reached the end of their useful life and are in need of replacement. Replacement of this equipment is necessary to maintain the integrity of the treatment facility and to ensure wastewater continues to be treated in compliance with the facility's NPDES permit. Staff has performed a thorough review of the engineering firms' qualifications and has determined Strand Associates, Inc. of Madison, Wisconsin to be the most qualified firm for this project.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.