

ITEM # 27b
DATE 02-14-12

COUNCIL ACTION FORM

**SUBJECT: CHANGE ORDER NO. 2 FOR ENGINEERING SERVICES FOR NCAH
PUMP STATION AND WASTEWATER METERING IMPROVEMENTS**

BACKGROUND:

On January 25, 2011, Council approved a contract in the amount of \$98,127 with Stanley Consultants Inc. for the design of necessary improvements to the National Centers for Animal Health pump station and wastewater metering facilities. Following completion of design, a change order was approved by staff in the amount of \$6,985 to retain Stanley Consultants Inc. to assist with questions regarding the plans and specifications during the bidding phase.

Now that bids have been received and a contract for construction is to be awarded, staff wishes to retain Stanley Consultants Inc. to assist with certain construction phase engineering services during the construction of the project. While staff will perform daily inspections of the construction activities and perform most aspects of the contract administration, Stanley Consultants' services are needed to perform milestone inspections of construction activities, review submittals for equipment and materials, and assist with change orders or other design modifications that may be deemed necessary during construction.

Stanley Consultants Inc. has provided a proposal in the amount of \$52,131.15 to provide the necessary construction phase engineering services. Staff has reviewed Stanley Consultants' scope of services and is satisfied that the effort and fee proposed are appropriate.

The NCAH Pump Station and Wastewater Metering Improvements project budget contains \$51,750 for construction phase engineering services. The additional funds needed for this project will come from the available Sewer Fund balance.

Since these improvements solely benefit the NCAH, all costs incurred by the City will be reimbursed by the NCAH. USDA staff has confirmed via e-mail that they have an obligation to pay the entire cost of the improvements. To accommodate their budget, staffs from both organizations have agreed to a 30-month repayment schedule. The schedule will include interest at a rate of three percent, the same rate the City is paying for financing through the Clean Water State Revolving Fund. The repayment schedule has been incorporated into the Sewer Fund projections and will not delay other scheduled projects for the City.

ALTERNATIVES:

1. Approve Change Order No. 2 adding construction phase engineering services, in accordance with the proposal submitted by Stanley Consultants, in the amount of \$52,131.15, not to be exceeded without prior city approval to Stanley Consultants' existing engineering services contract.
2. Reject Stanley Consultants' proposal for construction phase engineering services and direct staff to received additional proposals.

MANAGER'S RECOMMENDED ACTION:

Since the design of the NCAH Pump Station and Wastewater Metering Improvements was performed by Stanley Consultants, it is critical that Stanley Consultants be retained to perform certain construction phase engineering services to ensure that construction is completed in accordance with the plans and specifications developed by the consultant.

Therefore it is the recommendation of the City Manager to adopt Alternative No. 1, thereby approving Change Order No. 2 which adds \$52,131.15 to Stanley Consultants, Inc. original engineering services agreement dated January 25, 2011.