

COUNCIL ACTION FORM

SUBJECT: DESIGN SERVICES FOR LIFT STATION IMPROVEMENTS

BACKGROUND:

The Highway 30 lift station, which is located near the intersection of South Dayton Avenue and U.S. Highway 30, and the Orchard Drive lift station, which is located in Brookside Park near Orchard Drive, have reached the end of their service lives and are in need of replacement or rehabilitation. On September 25, 2013, staff issued a request for proposals for engineering services to design the necessary improvements to these facilities and provide assistance during the bid and construction phase of the project.

Staff utilized a “two envelope” selection process in selecting an engineering firm, where each firm’s qualifications and proposed scope of work are submitted in one envelope and their proposed fee are submitted in a second envelope. The process allows staff to review the submitted proposals and identify the firm whose qualifications and proposed scope of work are most appropriate before considering fees. Then, after identifying 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.

On October 25, 2013, staff received seven proposals. A thorough review of each firm’s qualifications was performed and HDR Engineering was identified as the most qualified firm. Following the proposal firm review process, fee proposals were opened. All firms submitting proposals are listed below in the order they were ranked based on qualifications.

Firm	Initial Proposed Fee
HDR Engineering	\$ 78,855.00
Bolton & Menk	Lump Sum 58,000.00 Hourly 65,000.00
Kirkham Michael	99,310.00
Veenstra & Kimm, Inc.	99,080.00
MSA Professional Services	97,762.50
Stanley Consultants	137,760.00
HBK Engineering	19,860.00

Staff has negotiated the final scope of work with HDR Engineering to perform all necessary design, bid phase assistance and construction phase engineering services

required to complete the project as originally intended. Additional scope items not included in the original scope of work, but which are required to complete the project, were added to HDR's scope of work. These additional scope items include special inspections required by the International Building Code, research of existing utility easements and identification of any new easements required for the Highway 30 lift station, and providing assistance to staff to acquire funding for the project through the State Revolving Fund (SRF) loan program. The final negotiated fee is based on an hourly rate not to exceed \$96,055 without prior approval by the City.

In reviewing the proposals, staff noted that HBK Engineering's proposed scope of work included a significantly lower number of hours to complete the design, bid phase assistance and construction phase services compared to all the other firms. **Had HBK Engineering been identified as the most appropriate firm for this project, staff would have needed to negotiate a substantial increase in HBK Engineering's proposed scope of work, with a corresponding increase in their fee.**

The current CIP includes \$125,000 for engineering services for this project with a total project budget of \$1,040,000.

ALTERNATIVES:

1. Award a contract for design, bid and construction phase engineering services to HDR Engineering with compensation based on an hourly rate not to exceed \$96,055 without prior approval.
2. Do not award a contract at this time and do not move forward with the Lift Station Improvements Project.

MANAGER'S RECOMMENDED ACTION:

The Highway 30 and Orchard Drive lift stations have reached the end of their useful lives and are in need of rehabilitation or replacement. Existing equipment has begun to fail and safety and code issues with the current facilities needs to be addressed. Improvements to these lift stations are also necessary to ensure that the reliability of the wastewater conveyance system is maintained and service to customers is uninterrupted.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving a contract for engineering services with HDR Engineering, with principle offices in Omaha, Nebraska, for an amount not to exceed \$96,055.