

ITEM#: 11
DATE: 02-08-22

COUNCIL ACTION FORM

**SUBJECT: 2019/20 SANITARY SEWER REHABILITATION (BASIN 10) –
CONSTRUCTION OBSERVATION/ADMINISTRATION SERVICES
AMENDMENT**

BACKGROUND:

On February 23, 2021, City Council awarded the 2019/20 Sanitary Sewer Rehabilitation (Basin 10) construction contract to Municipal Pipe Tool Co., LLC, of Hudson, Iowa in the amount of \$1,283,163.78.

On April 21, 2021, City staff approved a professional service agreement with WHKS & Company to perform a sanitary sewer rehabilitation construction observation assistance **in the amount not to exceed \$48,000 including expenses with an anticipated project completion date of November 26, 2021.** Work is billed on hourly rates based on actual expenses incurred.

The scope of work in the original construction observation contract includes supervision and coordination of the project team, review of project costs and billings, periodic visits to the construction site to observe the progress of work, review of shop drawings, review of periodic payment estimates for completed construction work, preparation of change orders, and preparation of the final summary of construction costs. Additionally, the observer maintains a logbook recording conditions and activities at the job site, assists in preparing Record Drawings, and coordinates quality control testing.

The construction contractor, Municipal Pipe Tool, has requested an extension of the contract completion date to May 15, 2022, due to materials shortages and weather conditions, which prevented completion of simultaneous construction staging sequences, as originally planned.

Because the construction staging sequences could not be completed simultaneously, the efficiencies in construction inspection and administration envisioned in the original contract with WHKS could not be achieved. The requested amendment No. 1 is based on an additional 250 hours of construction observation and 16 hours of administration time to complete additional stages now required for the project. These additional hours require an increase in the contract total by an amount not to exceed \$27,000.

Revenues and expenses associated with this program are estimated as follows:

	Revenue	Expenses
State Revolving Fund	\$ 3,684,000	
Sewer Utility Fund	250,000	
2019/20 Sanitary Sewer Rehab (this contract)		\$1,283,163.78
Future Construction Phases		2,025,836.22
Engineering/Administration (Est. this project)		200,000.00
Engineering/Administration (Est. Future Projects)		400,000.00
	\$ 3,934,000	\$3,909,000.00

ALTERNATIVES:

1. Approve the amendment to the professional services agreement for the 2019/20 Sanitary Sewer Rehabilitation (Basin 10) – Construction Observation Assistance with WHKS & Co., of Ames, Iowa in the amount not to exceed \$27,000, for a new contract total of \$75,000.

2. Direct staff to renegotiate an engineering agreement amendment.

CITY MANAGER’S RECOMMENDED ACTION:

Based on staff’s current workload and expertise provided by WHKS & Co., contracting for these construction observation services will continue to provide the best value to the City. This team designed the sanitary sewer lining project and has experience with the planned rehabilitation methods and SRF funded projects.

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