

ITEM #: 22  
DATE: 11-28-23  
DEPT: W&PC

**COUNCIL ACTION FORM**

**SUBJECT:        ARCHAEOLOGICAL SERVICES FOR NORTH RIVER VALLEY WELL  
                          FIELD AND PIPELINE PROJECT - AWARD OF CONTRACT**

**BACKGROUND:**

On April 11, 2023, the City Council awarded a contract for the construction of the North River Valley Well Field and Pipeline (NRV) Project. This project will provide a combination of new and replacement water supply capacity by constructing three new wells and an interconnecting pipeline to the Water Treatment Plant. It will also include new fiber optic communication with the Water Treatment Plant for well controls and security measures. The three new wells will also be connected to the existing standby generator located at the Water Treatment Plant to provide emergency power to the wells.

**The project is being funded through a State Revolving Fund (SRF) loan. While that program provides very competitive financing terms, it also comes with several requirements, including clearance from the State Historical Preservation Office (SHPO).** For the NRV project, it was determined by SHPO during the loan’s environmental review process that a portion of the project would be in potentially sensitive archaeological areas (identified by the hatched area in the attached map). This project area is rather large and spans a majority of the open excavation work for the raw water main installation.

To satisfy the requirement of SHPO, a certified archaeologist must be present on-site at all times during excavation within the hatched area. The amount of time required varies based on ground water levels, the contractor’s schedule, and the construction methods to be employed. **The extent and duration of the excavation work taking place in this area was based on guidance offered by SHPO prior to the time the City solicited services from certified archaeologists or for construction activities.** Staff retained In Situ Archaeological Consulting to perform this work and issued a purchase order in an amount not-to-exceed \$22,773.

At the time of the award, staff anticipated that the dry summer and fall would result in minimal groundwater impacts to the pace of construction. Unfortunately, the contractor’s dewatering exploration found the ground water table to be a limiting factor in the speed of excavation, as some portions of the excavation work go as deep as 12 feet and the groundwater levels will slow excavation due to safety (sloping of trench), amount of material to be removed, and working within the ground water table.

On October 24, 2023, Council approved a change order with In Situ to add an additional \$35,240 to their original contract to keep the construction work moving forward while staff solicited competitive proposals for the sizeable increase in archaeological services that will be required. Proposals were received on November 15, addressing the revised scope of work. The proposals received are summarized below.

Proposer	Total
<b>In Situ Archaeological Consulting</b>	<b>\$134,924</b>
Impact7G	\$155,500
<i>Engineer's Estimate</i>	<i>\$137,000</i>

Staff believes the bid provided by In Situ Archaeological Consulting is the lowest responsive bidder, and recommends that a contract be awarded to them.

**Additionally, after the City awarded the \$10.2 million construction contract and construction had started, an on-site consultation with SHPO resulted in altered instructions to the contractor that will have a significant cost impact to the construction contract. Those changes are explained by a separate Council Action Form (CAF) on this agenda.**

The project budget, which now includes both the additional archaeological services contract (this CAF) and the change order to the general contractor (separate CAF on tonight's agenda) is as follows.

	Funding Sources	Project Expenses
Drinking Water State Revolving Fund Loan	\$ 12,161,000	
Test Drilling		\$ 124,005
Engineering, Admin, Legal		725,272
Land		111,038
Construction		
Original Contract		10,200,956
Change Order #1		30,125
<b>Change Order #2 (Separate action tonight)</b>		<b>228,565</b>
Geotechnical Services		14,839
Programming Services		36,225
Archaeological Services		
Original Contract		22,773
Change Order #1		35,240
<b>Additional Contract (This action)</b>		<b>134,924</b>
<b>Project Totals</b>	<b>\$ 12,161,000</b>	<b>\$ 11,623,962</b>

**ALTERNATIVES:**

1. Award a contract with In Situ Archaeological Consulting of Eden Prairie, MN, for the North River Valley Well Field and Pipeline Project in the amount of \$134,924.
2. Award a contract to the other bidder.
3. Do not award a contract for additional archaeological services. Once the contracted number of days for an on-site archaeologist expires, construction work would be required to cease.

**CITY MANAGER'S RECOMMENDED ACTION:**

Staff consciously attempt to balance the amount of effort included in a construction contract's specifications against the potential for change orders after construction has begun. Including too much effort could unnecessarily increase a contract cost; while including too little could result in change orders that increase the construction cost after the contract has been awarded. In this case, staff estimated the pace that the construction work would proceed, and then used that to estimate the time that would be required for on-site archaeological monitoring. Once construction began, however, groundwater conditions necessitated a slower construction pace. That, in turn, has extended the time that an archaeologist must be on site.

Additionally, the City strives to be protective and respectful of environmental, cultural, and historical impacts of its construction projects. For the North River Valley Well Field and Pipeline Project, the State Historic Preservation Office was consulted during design and provided their requirements. Long after construction work had begun, SHPO provided additional requirements that must be adhered to under the terms of the City's State Revolving Fund loan. Those changes will also impact the length of time that archaeological services are required (as well as construction costs, which are included in a separate Council Action Form).

Staff had originally awarded a contract to In Situ Archaeological Consulting for \$22,773. When it became evident that considerably more time would be required, staff executed a small change order with In Situ to keep the contractor moving while the City issued a new Request for Proposals for additional archaeological services. Two proposals were received, and In Situ was the lowest proposal. Their prior work on the project has been acceptable. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.

**ATTACHMENT(S):**

[NRV Attachment.pdf](#)