

COUNCIL ACTION FORM

SUBJECT: ENGINEERING SERVICES FOR THE WATER POLLUTION CONTROL FACILITY METHANE ENGINE GENERATOR REPLACEMENT PROJECT

BACKGROUND:

In 2017, an evaluation of the digesters and the high strength waste receiving system at the Water Pollution Control Facility was performed. The City Council adopted the recommendation of replacing one of the methane engine generators with a dual fuel boiler, primarily to provide a backup heating system for the digesters, but also because of a potential decrease in maintenance costs. The installation of a new boiler also requires piping and controls upgrades. Based on Council's direction, funds were designated in the Capital Improvements Plan to address the methane engine generators in the Total Energy building.

On October 9, 2018, the City Council awarded a contract for engineering services to Strand Associates, Inc. of Madison, Wisconsin, for design of the Water Pollution Control Facility (WPCF) Methane Engine Generator Replacement Project in an amount not to exceed \$165,000.

The original contract with Strand included solely design phase services with the intent to revisit the need for bidding and construction services after design had been completed. The design phase of the project is nearing completion and staff is now preparing for the construction phase. At the City's request, Strand has prepared an amendment to the original engineering services agreement. This revised scope now includes bidding and construction services (\$79,200) and additional services as directed by the W&PC department if necessary (\$10,000), for a total additional amount not to exceed \$89,200. The bidding and construction work will be billed on an "hourly, not to exceed" basis to provide staff the flexibility of utilizing the necessary resources to ensure the project is built according to the design. The additional services would cover any additional meetings, site visits, or project coordination (such as assistance in securing construction or air permits from the Iowa DNR) outside the scope of work.

A summary of the engineering services agreement with Strand is shown below.

Original Contract Amount	\$ 165,000
<u>Change Order Number 1 (this proposed action)</u>	<u>\$ 89,200</u>
Total Contract Amount	\$ 254,200

The FY 18/19 budget includes \$1,515,000 for design and construction of replacement of methane engine 1 with a boiler. The engineer's estimate of probable construction cost is \$1,250,000, bringing the total estimated project cost to \$1,504,200.

ALTERNATIVES:

1. Approve a change order for engineering services to Strand Associates, Inc. of Madison, Wisconsin, for the WPCF Methane Engine Generator Replacement Project in an amount not to exceed \$89,200.
2. Do not approve a change order at this time.

MANAGER'S RECOMMENDED ACTION:

Staff has determined that it is in the best interest of the City to move forward with this addition to the contract. The scope of this project involves many engineering specialties that will require professional services in addition to staff review and inspection. The working relationship with Strand has been excellent to date for the project and staff expects it to continue into the future. **It is staff's opinion that the dollar amount proposed by Strand for the additional services appears to be reasonable for the scope of work.** Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.