



Legislation Text

File #: 10-0103, **Version:** 2

Resolution for Approval of Amendment No. 2 to the Professional Services Agreement with CDM Michigan Inc. for the Lime Feed System Improvements Project (\$99,580.00)

This memorandum and resolution requests approval of Amendment No.2 to the professional services agreement with CDM Michigan Inc. for the Lime Feed Systems improvements Project.

The Lime Feed System Improvements Project is included as a high priority project for 2010 in the City's approved Capital Budget. This project includes replacing three lime slakers and modifying the associated lime storage bins at the Water Treatment Plant (WTP). The existing lime slakers are in poor condition and were identified during the WTP Facilities Master Plan - 2006 as one of the highest priority capital improvements. The lime slakers are some of the most critical pieces of equipment at the WTP. Without operating slakers, the treatment process is ineffective and the WTP would not be able to meet state drinking water standards. A second critical component to this project is to address safety concerns associated with the existing lime bins. The WTP has experienced several lime slides of varying degrees over the past 5 years that have caused minor injury to staff and damaged lime slaking and other equipment in the vicinity. Modifications to the bins will eliminate the occurrence of these events.

Council approved a consulting services agreement for \$523,163.00 and contingency in the amount of \$50,000.00 in December 2007 as part of Resolution No. R-07-606 to complete this work. In February 2009, Amendment No. 1 for a value of \$49,439.00 was approved by the City Administrator. Amendment No. 1 included scope for materials testing as well as design modifications. Amendment No. 1 exhausted the contingency approved by Council as part of Resolution No. R-07-606.

Amendment No. 2 to the professional services agreement with CDM Michigan Inc. for a total of \$99,580.00 reflects the additional consulting services required to execute all of the changes described below:

- Design changes associated with equipment re-location due to access requirements for maintenance and optimizing available space, lighting modifications, addition of air pressure monitoring, pump seal water modifications, lime level monitoring modifications, and modifications to connections to the Water Plant potable water system.
- Additional bidding assistance to address legal and licensing problems with a major equipment supplier.
- Rate adjustments to reflect the extended duration of construction.
- Project management and construction services adjustments to reflect the extended duration of construction.

It is recommended that Amendment No. 2 to the professional services agreement in the amount of

\$99,580.00 be approved.

CDM Michigan Inc. received Human Rights approval on April 7, 2009, and complies with the living wage ordinance.

Council approved this project and associated funding during the FY09 and FY10 Capital Budget process. This resolution will bring the total value of engineering services with CDM Michigan Inc. to \$672,182.00.

Funds for this project are to be advanced from the Water Supply System Unobligated Fund Balance to be repaid pending the sale of water revenue bonds via the Drinking Water Revolving Loan Fund (DWRFL). This project is part of the first quarter FY10 funding for DWRFL projects. First quarter funded projects are eligible for principal relief of their loans up to a value of 40% of the loan amount as part of the American Recovery and Reinvestment Act Stimulus funding.

Prepared by: Brian Steglitz, P.E., Sr. Utilities Engineer, WTP

Reviewed by: Sue F. McCormick, Public Services Administrator

Approved by: Roger W. Fraser, City Administrator

Whereas, It is necessary to complete the Lime Feed System Improvements Project to address safety concerns associated with the existing lime storage facilities and replace three lime slakers that are in poor condition and can no longer be repaired at the Water Treatment Plant (WTP);

Whereas, This project is included as part of the Drinking Water Revolving Loan Fund application made by the City for a select number of water system projects and was accepted for funding through this program;

Whereas, Council approved funding during the FY09 and FY10 Capital Budget process;

Whereas, CDM Michigan Inc., as the design engineer for the Lime Systems Improvements Project, is uniquely qualified to complete the expanded scope of work because of their intimate knowledge this project; and

Whereas, CDM Michigan Inc. has received Human Rights approval on April 7, 2009, and complies with the living wage ordinance;

RESOLVED, That the Amendment No. 2 in the amount of \$99,580.00 to the Professional Services Agreement with CDM Michigan Inc. is approved;

RESOLVED, That the Mayor and City Clerk are authorized and directed to execute Amendment No. 2 to the Professional Services Agreement after approval as to substance by the City Administrator and approval as to form by the City Attorney;

RESOLVED, That the City makes the following declaration for the purpose of complying with the reimbursement rules of Treas. Reg. 1.150-2 pursuant to the Internal Revenue Code of 1986, as amended, that the City reasonably expects to reimburse itself for expenditures for the costs of the Project with proceeds of Bonds;

RESOLVED, That funding for this project is available in approved Capital Budget and will be advanced from the Water Supply System Operating Fund Balance to be repaid pending the sale of

water revenue bonds; and

RESOLVED, That the City Administrator be authorized to take the necessary administrative actions to implement this resolution.