



Legislation Text

File #: 12-0852, **Version:** 1

Resolution for Approval of Amendment No. 2 to the Professional Services Agreement with Stantec Consulting Michigan, Inc. (\$750,000.00) for the West High Service Pump Station Project
This memorandum and resolution request approval of Amendment No.2 to the professional services agreement with Stantec Consulting Michigan Inc. for the West High Service Pump Station Project.

The West High Service Pump Station project is included as a high priority project for 2012 through 2014 in the City's approved Capital Improvement Plan. This project includes construction of a new pump station to feed the west side of Ann Arbor as well as Scio Township. Because of the benefit to Scio Township, the City's water services agreement with Scio Township identifies that a portion of the cost of this improvement shall be borne by Scio Township.

In April 2010, Public Services received Council approval as part of Resolution No. R-10-137 to award a Professional Services Agreement to Stantec Consulting Michigan, Inc. to complete the study phase of the West High Service Pump Station and Barton Pump Station Electrical Improvements Projects. Once the study phase for each project was complete, staff would request funding for the design and construction services phases of the projects. Amendment No. 1 to the Professional Services Agreement was approved by Council as part of Resolution No. R-12-103 on March 19, 2012. Amendment No. 1 included consulting services for design and construction services for the Barton Pump Station Electrical Improvements Project. It was anticipated that once the City and Scio Township agreed on the scope of work and fee for the West High Service Pump Improvements, that City Staff would return to Council with a resolution to request funding for the design and construction services portions of that project. Recently the City and Scio Township finalized the scope and allocation of costs for the project.

Amendment No. 2 to the Professional Services Agreement with Stantec covers the balance of the engineering services required to complete the West High Service Pump Station Project. It is estimated that Scio Township's portion of the costs of this Amendment is \$457,500.00 and the City's portion is \$292,500.00. The actual cost share will be determined once the City receives a final schedule of values from the general contractor per the formula included in the Cost Allocation Agreement with Scio Township that is before Council as part of the July 16, 2012 Agenda.

It is recommended that Amendment No. 2 to the Professional Services Agreement with Stantec in the amount of \$750,000.00 be approved. Your approval is also requested for a contingency of \$75,000.00 for change orders to the contract with Stantec to be approved by the City Administrator.

Stantec received Human Rights approval on January 13, 2012, and complies with the living wage ordinance.

Council approved the West High Service Pump Station Project and associated funding during the FY13 Capital Budget process. This resolution will bring the total value of engineering services with Stantec to \$1,327,325.00. The total cost of the West High Service Pump Station project is estimated

at \$11,122,438.00. The project is being financed by a low interest loan through the State of Michigan's Drinking Water Revolving Fund (DWRf). The City has also been awarded green funding for the project, resulting in loan forgiveness of \$1,690,000.00. The City and Scio Township will share the costs for the balance of the project costs. Funds 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 (DWRf). This project is part of the FY13 funding for DWRf projects.

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

Reviewed by: Craig Hupy, Interim Public Services Administrator

Approved by: Steven D. Powers, City Administrator

Whereas, It is necessary to complete the West High Service Pump Improvements Project to meet existing water demands for Scio Township and the west side of Ann Arbor;

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

Whereas, the City received a Green Funding for this project through the State of Michigan DWRf Program in the amount of \$1,690,000.00;

Whereas, Scio Township is responsible for a portion of the balance of the project cost;

Whereas, Council approved the West High Service Pump Station Project and associated funding during the FY13 Capital Budget process and the funding to be advanced from the Water Supply System Operating Fund Balance to be repaid pending the sale of water revenue bonds via the Drinking Water Revolving Loan Fund;

Whereas, Stantec Consulting Michigan, Inc., as the design engineer for the West High Service Pump Station Project, is uniquely qualified to complete the expanded scope of work because of their intimate knowledge this project; and

Whereas, Stantec Consulting Michigan, Inc., has received Human Rights approval on January 13, 2012, and complies with the living wage ordinance;

RESOLVED, That the Amendment No. 2 in the amount of \$750,000.00 to the Professional Services Agreement with Stantec Consulting Michigan, Inc., is approved;

RESOLVED, That Council approve a contingency to the professional services agreement with Stantec Consulting Michigan, Inc. in the amount of \$75,000.00 to finance change orders to be approved by the City Administrator;

RESOLVED, That the Mayor and City Clerk are authorized and directed to execute Amendment No. 1 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; and

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