



Legislation Details (With Text)

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Title: Resolution for Approval of Amendment No. 1 to the Professional Services Agreement with Tetra Tech of Michigan, PC for the Steere Farm Engine Replacement Project (\$119,931.00)

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8/4/2016	2	City Council	Approved	Pass

Resolution for Approval of Amendment No. 1 to the Professional Services Agreement with Tetra Tech of Michigan, PC for the Steere Farm Engine Replacement Project (\$119,931.00)

This memorandum and resolution requests approval of Amendment No.1 to the Professional Services Agreement with Tetra Tech of Michigan, PC for the Steere Farm Engine Replacement Project.

The Steere Farm Well Field is located on the Ann Arbor Airport property. The three active wells, each with a capacity of 2,500 gallons per minute, are critical infrastructure providing 20% of the City's raw water firm capacity to the Water Treatment Plant (WTP). The wells are currently powered by natural gas-driven engine drives, two of which were installed in 1965 and the third in 1974. They have exceeded their service life, exhibiting performance and maintenance issues, and require replacement. In March 2015, a Resolution for design services with Tetra Tech of Michigan, PC was approved by Council to evaluate alternatives for replacing the 1965 and 1974 engines. Tetra Tech's evaluation of the existing infrastructure determined that replacement of the existing natural gas engines with electric motors would improve reliability and control. In addition, they recommended adding a natural gas back-up generator to ensure the City's ability to obtain water from its well field in the event of a power outage. These recommendations are incorporated into the construction contract for this project. Also included in the design is a duct bank for the new electrical supply, a new pre-engineered building at Well House 25W, as well as electrical, mechanical, and architectural improvements to other well house buildings. This project is included in the Council-approved Capital Improvement Plan for FY17.

Tetra Tech's original scope of work included study, design, bidding, and construction phase services. Tetra Tech's study phase resulted in recommendations that differed from the assumptions made during the Request for Proposal phase. Some of the more significant differences between the final design and the Request for Proposal assumptions include one new pre-engineered building and foundation, two replacement superstructures and associated trades at all three well houses.

The consequences of this adjustment in scope have resulted in a construction duration that is twelve (12) months longer than was anticipated in Tetra Tech's Professional Services Agreement. The expanded contract scope and extended construction period will require the following additional engineering services:

- Additional contract administration including shop drawings, requests for information, pay applications, etc.
- Additional progress meetings required for the extended construction schedule.
- Additional construction observation required for the additional scope and the extended construction schedule

Council approved a Professional Services Agreement with Tetra Tech for \$397,863.00 and contingency in the amount of \$40,000.00 on March 16, 2015 as part of Resolution No. R-15-093 to complete this work.

Amendment No. 1 to the Professional Services Agreement with Tetra Tech of Michigan, PC in the amount of \$119,931.00 exceeds the Council-approved contingency. It is recommended that Amendment No. 1 to the Professional Services Agreement in the amount of \$119,931.00 be approved. This amendment would be funded by the existing \$40,000.00 contingency already approved by Council, plus \$79,931.00 from funds available in the water system fund capital improvement budget.

Tetra Tech of Michigan, PC complies with the City's Living Wage ordinance and Non-Discrimination Ordinances.

Funding for this project is available in the approved FY17 Water Supply System Capital Budget. This resolution will bring the total value of engineering services with Tetra Tech of Michigan, PC to \$517,794.00.

Prepared by: Brian Steglitz, Manager, Water Treatment Services Unit

Reviewed by: Craig Hupy, Public Services Administrator

Approved by: Howard S. Lazarus, City Administrator

Whereas, The Steere Farm Engine Replacement Project is included in the Council-approved Capital Improvement Plan for FY17 and is identified as a high priority project;

Whereas, The Steere Farm well field provides 20 percent of the City's raw water firm capacity to the Water Treatment Plant;

Whereas, The Steere Farm Engine Replacement Project will replace critical equipment that is over 40 years old;

Whereas, It is necessary to complete the Steere Farm Engine Replacement Project to provide electric power and new motors for the well pumps, to provide back-up power generation for reliability, and to improve remote control and monitoring capabilities from the Water Treatment Plant;

Whereas, the existing contingency in the amount of \$40,000.00 is insufficient to cover the total value of Amendment No. 1;

Whereas, Tetra Tech of Michigan, PC, as the design engineer for the Steere Farm Engine Replacement Project, is uniquely qualified to complete the expanded scope of work because of their intimate knowledge this project; and

Whereas, Tetra Tech of Michigan, PC complies with the City's Living Wage and Non-Discrimination Ordinances;

RESOLVED, That the Amendment No. 1 in the amount of \$119,931.00 to the Professional Services Agreement with Tetra Tech of Michigan, PC is approved;

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;

RESOLVED, That funds for this project are available for the life of the project without regard to fiscal year; and

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