Legislation Text

File #: 08-0956, **Version:** 1

ResolutiontoApproveAmendmentNo.3totheProfessionalServicesAgreementwithMalcolmPirnie,Inc.for Design of the Facilities Renovations Project at the Wastewater Treatment Plant ($244,040.00)
We request your approval of Amendment No. 3 to the Professional Services Agreement with Malcolm Pirnie, Inc. (MPI) in the amount of $244,040.00 for design of the Facilities Renovations Project (FRP) at the City's Wastewater Treatment Plant (WWTP). Specifically, the work to be performed under this amendment is to assist in the preparation and submittal of an application for a conditional letter of map revision (CLOMR) to the Federal Emergency Management Agency (FEMA) for the floodwall that surrounds the WWTP site along the Huron River and Fleming Creek.

The FRP is one of two major plant renovations projects included in the City's Capital Improvements Plan (CIP) for the WWTP. The FRP includes complete demolition and replacement of the older portion of the plant (West Plant) and modifications to the newer portion (East Plant), which will improve process reliability and ensure appropriate treatment capacity currently and in the future. The second major plant renovations project is the Residuals Handling Improvements Project (RHI), which includes demolition and replacement of existing solids handling equipment and systems with more effective and efficient equipment and systems, as well as demolition of the WWTP's former sludge incinerator.

The first phase of the FRP involves demolition of two WWTP structures and minor utilities installation work, which is expected to start this winter. MPI is designing the second phase of the FRP. Construction is expected to start in early 2010 and will take approximately five years to complete. The RHI is currently being advertised for bids; construction is expected to begin in early 2009 and take approximately two years to complete. Both the FRP and the RHI are critical to maintaining treatment and solids processing capacity at the WWTP, and are sequenced to minimize construction conflicts, risks and financial impacts to the City.

Recently, City staff determined that FEMA considers the WWTP site to be in the 100-year floodplain according to its Flood Insurance Rate Map (FIRM). Neither the current FIRM dated June 18, 1980, nor the preliminary FIRM dated July 27, 2007, recognize the floodwall that was constructed during 1978. Although it has effectively provided flood protection to the WWTP, the floodwall does not meet FEMA's freeboard standards to be certified. Without certification of the floodwall, the WWTP is required to meet building standards that include flood proofing all new buildings to provide protection against damage from a 500-year flood. The 500-year flood standards are applicable because the WWTP is considered to be a critical facility. These building standards would impose significant additional costs for the design and construction of the FRP. In addition, the WWTP would continue to be subject to any future requirements associated with being located in the floodplain.

The WWTP is located in Ann Arbor Township and is required to obtain site plan approval from the township for any major construction project. The township approved the site plan for the first phase of the FRP and the RHI on the condition that the City would work with the township to attempt to have the WWTP's floodwall certified by FEMA. The township also indicated that approval of the site

plan for the second phase of the FRP would require the City to have the floodwall certified or meet the flood proofing building requirements.

The appropriate first step toward certifying the WWTP's floodwall is to apply for a CLOMR from FEMA. By doing so, the City would be requesting an opinion from FEMA that the proposed improvements to the floodwall would meet the National Flood Insurance Program standards if constructed as indicated in the application. Subsequently, the improvements to the floodwall would be constructed either prior to or as part of the second phase of the FRP. Upon completion of these improvements, the City would apply for a letter of map revision to FEMA to certify the floodwall and update the FIRM to recognize that the WWTP site is not in the floodplain.

Council approved an agreement with MPI for design of the FRP in the amount of $2,996,670.00 on March 7, 2005. Council approved Amendment No. 1 ($427,831.19) on June 14, 2006, and Amendment No. 2 ($2,691,025.00) on February 19, 2008. The scope of services for Amendment No. 2 could not be determined until after various design and equipment alternatives were evaluated and selected in the preliminary design process. Amendment No. 2 added the engineering services to complete the design of alternatives that were identified during the evaluations performed under the original agreement and Amendment No. 1.

This project will extend over six fiscal years and construct over $72 million in improvements. Total design engineering costs account for less than ten percent of the anticipated project construction costs. Engineering design costs of ten percent of construction are reasonable for projects of this magnitude.

MPI submitted the proposed scopes of additional services and associated fees for assisting in the preparation and submittal of an application for a CLOMR from FEMA at the request of WWTP staff. WWTP staff worked with MPI to revise the scope of services to ensure it would achieve the objectives of meeting the conditions of the site plan approved by Ann Arbor Township for the first phase of the FRP and the RHI, and for moving the second phase of the FRP forward. Based on its review, WWTP staff determined that the proposed fee of $244,040.00 is reasonable and consistent with the scope of services being provided.

The budget for this project was approved by Council during the FY09 budget process and is included in the approved FY08-13 CIP. Bonds were sold in spring 2008 for the FRP and funding is available for this amendment.

MPI received Human Rights approval on July 30, 2008, and complies with the City's living wage requirements. The standard amendment to agreement for professional services without modification will be used for this amendment between the City and MPI.
Prepared by: Earl J. Kenzie, P.E., WWT Services Manager
Reviewed by: Sue F. McCormick, Public Services Administrator
Approved by: Roger W. Fraser, City Administrator
Whereas, The older portion (West Plant) of the City's Wastewater Treatment Plant (WWTP) has exceeded its useful life and is no longer operable;

Whereas, Demolition and replacement of the West Plant and improvements to the WWTP are required to improve process reliability and meet current and future wastewater treatment capacity requirements;

Whereas, The Facilities Renovations Project (FRP) and the Residuals Handling Improvements Project (RHI) are two major plant renovations projects at the WWTP;

Whereas, The Federal Emergency Management Agency (FEMA) does not recognize the floodwall that surrounds the WWTP site along the Huron River and Fleming Creek and considers the plant to be in the 100-year floodplain;

Whereas, Without certification of the floodwall, the WWTP is required to meet standards that include flood proofing all new buildings to provide protection against damage from a 500-year flood, which would impose significant additional costs for the design and construction of the FRP;

Whereas, The site plan for construction of the first phase of the FRP and the RHI were approved by Ann Arbor Township on the condition that the City would work with the township to attempt to have the WWTP's floodwall certified by FEMA;

Whereas, MPI submitted a proposed scope of services for assisting in the preparation and submittal of an application for a conditional letter of map revision from FEMA as the first step toward certifying the WWTP's floodwall, and WWTP staff determined the proposed scope and budget of $244,040.00 for these services is reasonable;

Whereas, On March 7, 2005, Council authorized award of an agreement with Malcolm Pirnie, Inc. (MPI) in the amount of $2,996,670.00 to begin design on the FRP;

Whereas, On June 14, 2006, Council approved Amendment No. 1 to the agreement with MPI in the amount of $427,831.19 to design additional project elements that added value to the City;

Whereas, On February 19, 2008, Council approved Amendment No. 2 to the agreement with MPI in the amount of $2,691,025.00 to complete the design of alternatives that were identified during the evaluations performed under the original agreement and Amendment No. 1;

Whereas, MPI received Human Rights approval on July 30, 2008, and complies with the City's living wage requirements; and

Whereas, Council approved the FRP as part of the FY08 and FY09 Capital Budget process and funds are available for this amendment in the approved project budget;

RESOLVED, That Council approve Amendment No. 3 to the agreement with MPI in the amount of $244,040.00 for assisting in the preparation and submittal of an application for a conditional letter of map revision from FEMA as the first step toward certifying the WWTP's floodwall;

RESOLVED, That the City make the following declaration for the purpose of complying with the reimbursement rules of Treasury Regulations 1.150-2 pursuant to reimburse itself for the expenditures for the cost of the Project with proceeds of Bonds;

RESOLVED, That Council approve the agreement for the life of the project with funds to be available until expended without regard to fiscal year and authorize the City Administrator to approve amendments to the Agreement; and

RESOLVED, That the Mayor and City Clerk be authorized to execute Amendment No. 3 after approval as to substance by the City Administrator and approval as to form by the City Attorney.

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