City of Ann Arbor

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Legislation Text

File #: 20-0391, **Version:** 2

Resolution for Approval of Amendment No. 2 to the Professional Services Agreement with LG Design, Inc., for Professional Engineering Services for the Water Treatment Plant UV Disinfection System Project ITB No. 4568 ($53,920.00)
This memorandum and resolution requests approval of Amendment No. 2 to the Professional Services Agreement with LG Design, Inc. (formerly known as CH2M and a wholly owned subsidiary of Jacobs Engineering, Inc.) for the Water Treatment Plant UV Disinfection System Project, ITB No. 4568 ($53,920.00).

In June 2017, the Michigan Department of Environment, Great Lakes and Energy (EGLE), formerly MDEQ, notified the City of Ann Arbor (City) that their drinking water supply contained levels of *Cryptosporidium* (a waterborne parasite) that require additional protection to comply with the EPA Long-term 2 Enhanced Surface Water Treatment Rule (LT2) drinking-water regulations. The City hired LG Design, Inc. to perform a study to evaluate alternatives for compliance with the LT2 drinking water regulations, which resulted in the recommendation for implementation of ultraviolet (UV) light disinfection. The goal of this project is to comply with the EGLE June 2020 deadline for additional *Cryptosporidium* protection. LG Design, Inc.'s original scope included preliminary investigation, detailed design, construction document preparation, bid phase assistance, and construction phase engineering services.

With the addition of UV disinfection, the City must demonstrate removal, or inactivation, of *Cryptosporidium* to comply with the LT2 drinking water regulations. New disinfection calculations, as well as regulatory compliance forms for tracking treatment system performance and monthly reporting to EGLE, will be developed specifically for the new UV disinfection system, and other disinfection processes including ozone and chloramination.

LG Design, Inc. is uniquely positioned to successfully execute the additional tasks associated with CT calculations and regulatory compliance and reporting. LG Design Inc.'s experience with navigating EGLE regulations and acceptance criteria was critical in obtaining approval for this technology to meet disinfection requirements and in completing the design. This proposed scope of work is a logical addition to the construction phase efforts currently being performed by LG Design, Inc.

Council approved a Professional Services Agreement with LG Design, Inc. for $145,060.00 on November 28, 2018 as part of Resolution No. R-18-415 for design and bid phase services and Amendment No. 1 in the amount of $229,255.00, as part of Resolution R-19-161 for Construction Phase Services. It is recommended that Amendment No. 2 to the Professional Services Agreement with LG Design, Inc. in the amount of $53,920.00 be approved. This Resolution will bring the total value of engineering services with LG Design, Inc. to $428,235.00. It is also recommended that a contingency in the amount of $23,000.00 be re-established above the agreement amount to finance necessary unforeseen changes.

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LG Design, Inc. complies with the City's Conflict of Interest, Living Wage and Non-Discrimination Ordinances.

Budget and Fiscal Impact: The funds for this project are included in the approved FY20 Capital Budget and are to be advanced from the Water Supply System Fund to be repaid via sale of water revenue bonds via the Drinking Water Revolving Loan Fund (DWRF).
Prepared by: Brian Steglitz, Manager, Water Treatment Services
Reviewed by: Craig Hupy, Public Services Administrator
Approved by: Tom Crawford, Interim City Administrator
Whereas, The City is currently completing construction of the WTP UV Disinfection System project to comply with the EPA LT2 drinking water regulation for *Cryptosporidium* by the EGLE June 2020 deadline;

Whereas, With the addition of UV disinfection, the City must demonstrate inactivation of Cryptosporidium to comply with the LT2 drinking water regulations, updating disinfection calculations and updating the City's regulatory compliance reporting forms;

Whereas, The City previously hired LG Design, Inc. (formerly known as CH2M and a wholly owned subsidiary of Jacobs Engineering, Inc.) in 2017 to develop alternatives to comply with the *Cryptosporidium* requirements, in 2018 to develop the detailed design of a UV disinfection system, and in 2019 to perform construction phase engineering services;

Whereas, LG Design, Inc., as the design and construction phase engineer for the WTP UV Disinfection System project, is uniquely qualified to complete the scope of work for this effort due to their intimate knowledge of the details of this project, the water treatment plant, and their experience with EGLE regulations and compliance; and
Whereas, LG Design, Inc. complies with the City's Conflict of Interest, Living Wage and Non-Discrimination Ordinances;

RESOLVED, That the Amendment No. 2 in the amount of $53,920.00 be approved to the Professional Services Agreement with LG Design, Inc. for a total not-to-exceed agreement amount of $428,235.00;

RESOLVED, That a contingency in the amount of $23,000.00 be approved to finance amendments to the Professional Services Agreement to be approved by the City Administrator;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute the 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 make the following declaration for the purposes of complying with the reimbursement rules of Treasury Regulations 1.150-2 pursuant to the Internal Revenue Code of 1986, as amended, that the City reasonably expect 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.