



TO: Mayor and Council

FROM: Derek Delacourt, Community Services Area Administrator
Craig Hupy, Public Services Area Administrator
Nick Hutchinson, City Engineer
Cresson Sloten, Systems Planning Manager

CC: Tom Crawford, Interim City Administrator

SUBJECT: Council Agenda Responses

DATE: 3/21/16

CA-5 – Resolution to Approve a Professional Services Agreement with CDM Smith, Inc. for the Surface Water Intake Protection Plan (RFP No. 956, \$42,674.00)

Question: I recognize that price is not the sole or even primary determinant on professional services awards, but in this case, price was weighed at just 10% of the scoring and the original bid accepted (and ultimately negotiated down) was 50% higher than the lower bid. Can you please elaborate on this award, including whether price is typically given just a 10% weighting? (Councilmember Lumm)

Response: Each Request for Proposal (RFP) that the City posts includes selection criteria specific to the project. The selection criteria often has a 10% weight for the proposers fee, but this weighting can vary based on the project. In the case of the Surface Water Intake Protection Plan, the majority of the weighting was assigned to the work plan and professional qualifications, as these criteria offer the most useful information to evaluate whether a proposer is best qualified for the work. The original price of \$59,231 from CDM Smith, Inc. included work that was above and beyond the requested scope of the project. Once staff discussed the proposed work plan, the consultant removed much of the additional work items, thus reducing the amount for the contract. The revised cost is \$42,674.00, which is close to the low bidder of \$39,000.

CA-6 – Resolution to Approve Contract Amendment No. 3 with WeCare Organics to Allow Merchant Post-Consumer Food Waste and Compostable Materials (No Funds Required)

Question: What is the nature of our arrangement with WeCare – do we just pay them a fee to operate the facility or do they have profit/loss responsibility? In terms of accepting post-consumer food waste, what additional costs and protections (if any) are required and does this in any way expose the city to any new liability? (Councilmember Lumm)

Response: The City earns \$1.00 for every Merchant ton (non-City collected and delivered) delivered to the compost facility, and \$0.50 for every ton of final product sold. The contractual price the City pays WeCare to process City-delivered tonnage is \$17.50 a ton. WeCare sets the pricing for Merchant tons delivered and final product sales. There will be no additional cost to the City to accept Merchant delivered post-consumer Merchant tons as the WeCare price to deliver the tonnage is paid by the Merchant.

Question: The cover memo also indicates the “program will be evaluated on an ongoing basis, for potential odors or end product contamination/degradation from the food waste”. Have these issues been experienced by other communities/facilities that have tried this? And if an issue does arise, can the city tell WeCare to stop accepting the material at the facility? (Councilmember Lumm)

Response: Staff and WeCare are not aware of other windrow operating compost facilities locally in Michigan that have experienced problems. The City has been accepting post-consumer food waste from residents (City collected and delivered) for the past two compost seasons, and there has not been any odor issue over this period. The City does not anticipate any odor issues with the added Merchant material, but has included a termination mechanism in the proposed amendment as well as language allowing WeCare or the City to limit or decline acceptance of material due to odor concerns. If an issue arises the City or WeCare can terminate acceptance of post-consumer food waste at the facility.

Question: The cover memo indicates that some commercial account users (like UM) that currently deliver material to the compost facility are interested in composting of post-consumer food waste. Who are the users, are they currently delivering pre-consumer food waste to the facility, and will they be paying WeCare an additional fee to add post-consumer food waste? Also, what is the rough volume of post-consumer food waste that’s expected? (Councilmember Lumm)

Response: U of M is currently the only Merchant delivering pre-consumer food waste. The pricing for post-consumer food waste, and thus any additional fee, will be set by WeCare. WeCare anticipates 500-1,000 tons of Merchant post-consumer food waste.

CA-7 – Resolution to Award a Construction Contract to M-K Construction Company (\$234,156.60, Bid No. ITB-4414) for the Huron River Drive Slope Stabilization Project

Question: Will the installation of the retaining wall have any negative impacts on the Huron River, for example from changes to hydrology? (Councilmember Warpehoski)

Response: The work being performed will occur immediately adjacent to the roadway, and will have no effect on the Huron River. Adequate erosion control measures will also be installed to further protect the river.

Question: Recognizing that the uniqueness of this project may have contributed to the bids coming in over the engineering estimate, they are more than twice the estimate. Did you consider re-issuing the RFP? (Councilmember Lumm)

Response: The two bids received were relatively close, and staff feels that these bids reflect the true value of the work more accurately than the original estimate. Re-issuing the bid would delay the project, and potentially delay the planned resurfacing of the adjacent roadway. There is also no reason to believe that re-issuing the bid would result in lower bid prices, and could actually result in higher prices typically seen in a later season bid.

B-1 – An Ordinance to Amend and Replace Sections 1:271, 1:272, 1:273, 1:274, 1:275, 1:277, and 1:278 of Chapter 12 (Financing Local Public Improvements) of Title I, Sections 1:281, 1:282, 1:284, 1:286, 1:292, 1:293, 1:295, 1:299, 1:300 and 1:301 of Chapter 13 (Special Assessments) of Title I, Sections 2:21, 2:22b, 2:22c and 2:23 of Chapter 27 (Water Capital Recovery Charges) of Title II, and Sections 2:41.2f and 2:42.4 of Chapter 28 (Sanitary Sewer Capital Recovery Charges) of Title II of the Code of the City of Ann Arbor (Ordinance No. ORD-16-03)

Question: Has staff completed the report of hookups between September 1, 2015 and Dec 31, 2015 that would be subject to a fee reduction if Council were to change the implementation date? (Councilmember Warpehoski)

Response: Yes. Please refer to the attached memorandum for this detail.

Question: Given the discussion about changes to the “grace period” (currently in the ordinance as applying to connections from January 1, 2016 through April 1, 2016), can you please provide data on the connections (number and amount) during that period and going back to January 1, 2015 as well. Also, please provide staff’s rationale for choosing January 1, 2016? (Councilmember Lumm)

Response: Following the discussion at the March 10, 2016 Council meeting, staff had researched and is recommending to extend the “grace period” back to July 1, 2015 as this coincides with the start of the fiscal year as well as the effective date for rate changes and other fee adjustments. This date results in six residential connections

qualifying for a refund, totaling approximately \$64,000; and, three commercial development sites qualifying for a refund totaling approximately \$9,000. Please refer to the attached memorandum for additional detail and breakdown for the number of connections since July 1, 2015. Additional time would be needed to gather data back to January 1, 2015 if desired by Council. Staff's rationale for initially choosing January 1, 2016 as the "grace period" date was due to the fact that January 1, 2016 was presented throughout the engagement process for the Water & Wastewater System Capital Cost Recovery Study as the target date for implementation of these new charges, which was selected to have the charges in place before the 2016 construction season.

Question: The agenda does not show a public hearing, but with postponement of second reading at the March 10th meeting, shouldn't the public hearing remain open? (Councilmember Lumm)

Response: No, the public hearing was held and closed at the March 10, 2016 Council meeting.

B-2 – An Ordinance to Amend Chapter 55 (Zoning), Rezoning of 31.77 Acres from R4A (Multiple-Family Dwelling District) to R1D & R1E (Single-Family Dwelling District) and R4B (Multiple Family Dwelling District), NorthSky Development Rezoning, 2701 Pontiac Trail (CPC Recommendation: Approval – 6 Yeas and 0 Nays) (Ordinance No. ORD-16-02)

DB-1 – Resolution to Approve the Woodbury Club Apartments Planned Project Site Plan and Development Agreement, Southeast Corner of Nixon Road and M-14 (CPC Recommendation: Approval - 8 Yeas and 0 Nays)

Question: The March 16 Development agreement (P-2) contains language regarding the developers time to construct the improvements. Can you please clarify exactly what that language means – does it mean the developer must construct the entire project (the four-story apartment building as well as the single-family homes) within one year from approval of the site plan? (Councilmember Lumm)

Response: The improvements are listed in (P-1): public water and sanitary mains, public and private storm water systems, and public streets, sidewalks, and streetlights. Once these infrastructure improvements are completed and inspected, the city will accept them, and for one year after that date the developer is responsible for repairing any defects that are identified. Regarding the above ground improvements, such as the single-family homes and the apartment building, the first permit must be requested and issued within three years or the site plan will expire.

Question: (P-8) of the March 16 Development agreement references the developer-paid improvements to Pontiac Trail. In response to my question at first reading, it was confirmed the developer would pay 100% of the improvement costs and the response indicated that the developer would be prepared to indicate the estimated cost of the improvements that evening. Can you please provide the estimated total cost of the improvements? (Councilmember Lumm)

Response: The developer estimates that the cost of the Pontiac Trail improvements will be \$350,000.

Question: Staff “strongly encouraged” the higher density and inclusion of the four story apartment building on the site while it seems the developer preferred all single-family homes. What other examples are there where city staff essentially forced the developer to add density to a residential development proposal outside of downtown. (Councilmember Lumm)

Response: Under no circumstances has staff forced a developer to change the density of a residential development proposal. City Staff encourages developers to follow the density and other recommendations of the City Master Plan. The density recommendations support transit and efficient land use. If an early iteration of a plan is inconsistent with the Master Plan, we will make that known. Specific to the Northeast Area, there are more than a half-dozen sites larger than 20 acres with site specific land use recommendations. For all of these sites, in addition to minimum and maximum density recommendations, a mixture of housing types is encouraged to increase housing choices, encourage neighborhood diversity, and expand housing opportunities for individuals of different income levels.

DS-1 – Resolution to Authorize Professional Services Agreements with Orchard, Hiltz & McCliment, Inc. (OHM) for the Design of the Nixon/Green/Dhu Varren Intersection Improvement and the Nixon Road Corridor Traffic Study (RFP No. 955) (\$538,076.00)

Question: Does OHM have any previous experience working with Jo Anna Trierweiler (JT Consultants) on similar kinds of engineering projects and, if so, can they comment on/share their evaluation of her services? Have we obtained or been provided any evaluations of the Ms. Trierweiler’s work for other communities? (Councilmember Lumm)

Response: Staff has reviewed Ms. Trierweiler’s resume and is satisfied that her listed experience in public engagement qualifies her for this project. While the public engagement consultant is responsible for managing the public process, gathering input, and assuring that all stakeholders have a voice; it is the responsibility of the engineering team and City Staff to make sure that the feedback gathered is integrated into the engineering design to the extent feasible.

Question: In their March 16th letter to the City, OHM indicated they have added Jo Anna Trierweiler (JT Consulting Firm LLC) to the project team as lead facilitator for the public engagement aspect of the project (Task 3). Will Ms. Trierweiler be involved in the Stormwater Rate and Level of Service study as well? (Councilmember Lumm)

Response: Ms. Trierweiler will not be involved in the Stormwater Rate and Level of Service Project.

Question: Will Ms. Trierweiler handle all the public engagement work for this project herself or will Project Innovations continue to be involved or other members of her new firm be involved? If Project Innovations will continue to be involved, can you please elaborate on the respective roles and responsibilities and comment on Project Innovations capacity to effectively stay involved on this project and handle the public engagement component of the Stormwater study? (Councilmember Lumm)

Response: JT Consulting is being brought on board to facilitate all of the public engagement meetings, stakeholder meetings, and task force meetings. Project Innovations will continue to be peripherally involved in the project in terms of coordinating the efforts of the public engagement team, including administrative support, reports, infographics, and video. Project Innovations has the capacity and has committed to serve the project in this role in collaboration with the City and the OHM team.

Question: In response to my question last meeting, you indicated that an updated cost estimate for the Nixon/Green/DhuVarren roundabout construction couldn't be done until more data was available on this season's construction bids. That's understandable. When will an updated estimate be available?

Response: Staff expects to have enough data to review the cost estimate within the next two weeks.

Question: Also, the combined Nixon Farms and Woodbury Club developer's contributions for the intersection improvement is \$1,025,460 and was intended to represent 50% of the total project cost. My understanding is that the \$1,025,460 is a maximum amount so if the total intersection project cost is higher than originally expected, the City must absorb the difference (but the developers share is reduced to 50% of actual costs if the costs are lower). Can you please confirm if my understanding is accurate or does the City have some recourse with the developers if the intersection improvement costs are higher than originally expected? (Councilmember Lumm)

Response: This is correct. The developers of Nixon Farm North and South, as approved, and Woodbury Club, as proposed, shall pay up to 50% of the project cost, with a maximum payment of \$1,025,460. Neither developer is obligated to pay any additional costs under approved or currently proposed plans.