



## Legislation Text

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**File #:** 08-0854, **Version:** 1

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Resolution to Amend an Agreement with Greeley and Hansen, LLC for the Residuals Handling Improvements Project at the Wastewater Treatment Plant, RFP No. 601 (\$160,480.00)

Your approval is requested to amend a Professional Service Agreement with Greeley and Hansen, LLC (G&H) in the amount of \$160,480.00 for additional professional engineering services in relation to the Residuals Handling Improvements (RHI) Project at the City's Wastewater Treatment Plant (WWTP).

On August 15, 2005, Council approved an agreement with G&H in the amount of \$2,531,133.00 for professional engineering services to design the RHI Project. The work performed under this contract was to design the renovations identified in the WWTP's Sewage Residuals Management Plan (SRMP). The SRMP is a comprehensive 25-year planning document that provides the basis and schedule for rehabilitation and replacement of major solids handling equipment and systems at the WWTP. Project improvements include demolition and replacement of existing solids handling equipment and systems with more effective and efficient equipment and systems, and complete demolition of the City's sludge incinerator.

On May 21, 2007, Council approved Amendment No. 1 to the Agreement with G&H in the amount of \$198,300.00 to design additional project elements that added value to the City. On February 22, 2008, Council approved Amendment No. 2 in the amount of \$135,550.00 to fund anticipated costs to coordinate the site plan and building permit review and approval process with Ann Arbor Township. The township review and approval process was required because the WWTP is located in Ann Arbor Township. During the early design stage of the project, Ann Arbor Township relinquished regulatory authority and permitting responsibilities to the City of Ann Arbor. After completion of design, the Township reclaimed jurisdiction and required the City to secure approved site plans and permits from the Township prior to starting construction. The effort required to secure plan approval from the Township lasted approximately seven months and required significant coordination by G&H and WWTP staffs with Township, County and State regulatory agencies as well as preparation for and participation in public meetings.

The scope and cost to coordinate with the Township and other regulatory agencies was significantly greater than the amount anticipated for Amendment No. 2, including the \$20,000.00 contingency approved by Council. Amendment No. 3, in the amount of \$20,000.00, utilizes the contingency to address a portion of the additional work relating to the site plan and permit approval process. The remaining balance of \$160,480.00 is the amount requested for Amendment No 4.

The scope of Amendment No. 4 includes the additional regulatory review and approval work as well as additional engineering services to add value, reduce equipment costs and assess scheduling impacts on annual capital expenditures. This amendment will fund all activities by G&H through the bid advertisement, review and recommendation of award of the construction contract for the RHI Project.

WWTP staff has reviewed the proposed fees for the additional services and found them to be reasonable.

Greeley & Hansen, LLC received Human Rights approval on August 24, 2008, and complies with the City's living wage requirements. The standard Amendment to agreement for professional services without modifications will be used for this amendment between the City and Greeley & Hansen, LLC.

The total project budget of approximately \$42,600,000.00 is included in the approved FY06-12 CIP and funding was approved as a part of the FY08 and FY09 Capital Budget process. You are requested to approve this amendment with funds to be available until expended without regard to fiscal year and to authorize the City Administrator to approve amendments to the Agreement.

Prepared by: Michael D. Amicangelo, P.E., Senior Engineer, WWT Services

Reviewed by: Sue F. McCormick, Public Services Administrator

Approved by: Roger W. Fraser, City Administrator

Whereas, The City's Wastewater Treatment Plant (WWTP) needs professional engineering services to design the Residuals Handling Improvements Project (RHI);

Whereas, The WWTP renovations are identified in the City of Ann Arbor WWTP Sewage Residuals Management Plan and included in the approved FY 06/12 Capital Improvements Plans;

Whereas, Funding for the renovations identified in the Sewage Residuals Management Plan was approved as a part of the FY08 and FY09 Capital Budget Process;

Whereas, The RHI Project is necessary for the WWTP to improve process reliability and meet current and future solids capacity requirements, and avoid discharge permit violations and associated fines, as well as the discharge of sewage solids at concentrations that are harmful to the environment;

Whereas, On August 15, 2005 Council approved an agreement with Greeley and Hansen, LLC in the amount of \$2,531,133.00 for professional engineering services to design the RHI Project;

Whereas, On May 21, 2007 Council approved Amendment No. 1 with Greeley and Hansen, LLC in the amount of \$198,300.00 for professional engineering services to design additional project elements that added value to the City;

Whereas, On February 22, 2008 Council approved Amendment No. 2 with Greeley and Hansen, LLC in the amount of \$135,550.00 for additional engineering services to coordinate the site plan and building permit review and approval process with Ann Arbor Township;

Whereas, The effort required to secure plan approval from the Township lasted approximately seven months and the cost to coordinate with the Township and other regulatory agencies was significantly greater than the amount anticipated for Amendment No. 2;

Whereas, Amendment No. 3, in the amount of \$20,000.00, utilizes the contingency that Council approved for Amendment No. 2 to address a portion of the additional work relating to the site plan and permit approval process;

Whereas, The scope of Amendment No. 4 includes the additional regulatory review and approval

work as well as additional engineering services to add value, reduce equipment costs and assess scheduling impacts on annual capital expenditures; and

Whereas, Greeley & Hansen, LLC received Human Rights approval on August 24, 2008, and complies with the City's living wage requirements;

RESOLVED, That Council approve an amendment to an agreement with Greeley & Hansen, LLC for \$160,480.00 to provide expanded professional engineering services;

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;

RESOLVED, That the Mayor and City Clerk be authorized to execute the 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.