



Legislation Text

File #: 20-1135, **Version:** 2

Resolution to Ratify an Emergency Purchase Order with the National Railroad Passenger Corporation (Amtrak) for Railroad Inspection and Flagging Services for the Southside Interceptor Sanitary Diversion Project (\$30,000.00)

Pursuant to the Southside Interceptor Sanitary Diversion Project, it was necessary to enter into a Permit of Temporary Entry (PTE) with Amtrak for railroad inspection and flagging services. This was necessary as the work is being performed in a portion of the railroad right-of-way that is owned by the Michigan Department of Transportation. Amtrak is the operating railroad of this right-of-way and all needed construction permits and reviews must be conducted in accordance with their protocols and procedures.

The PTE for this project was approved by Council on February 4, 2019 (R-19-051, copy attached.) As part of the permit approval process with Amtrak, it was necessary to pre-pay plan review, inspection, and flagging fees for the work. Amtrak estimated the cost of their services to be \$62,920.00 when the agreement was created. Please note, the City was not able to negotiate the value of these services nor was able to provide input regarding the estimated value of the services. One of the terms of the agreement with Amtrak is that the City is required to pre-pay the inspection fees. Amtrak in turn draws down the balance of the funds as they are expended. The City and the Contractor have no control over the Amtrak personnel regarding the number of employees, the length of time that they are inspecting, or the equipment used in performing the work. Additionally, the City is required by the agreement to have an Amtrak inspector on-site any time work is being performed on the project. Finally, Amtrak stipulates that, should the funds be expended, they have the ability to stop work on the project until such time as the funds have been replenished. Amtrak has informed the City that should the funds be completely expended, that the City would be required to begin the permit approval process again, which would lead to significant delays in the construction and needless additional expense to the project.

Consequently, it was necessary to request the City Administrator to authorize an emergency purchase order in the amount of \$30,000.00 with Amtrak to allow the work to proceed and provide additional funds for inspection and flagging in order to avoid extra costs and delays to this important project. This emergency request was made and completed on July 14, 2020 (copy attached.) Funds for this work will come from the approved contingency line item of the project budget. Staff is hopeful that the expenditure of all these additional funds will not be necessary. Amtrak will refund any unspent funds after the conclusion of the project.

In accordance with approved Administrative Policy and Procedure No. 204 and City Code, Chapter 14, 1:317 Emergency Purchases and Contracts, staff is now reporting this purchase to you and requesting authorization of same.

The work of the project continues. At this writing, we expect the project to be substantially completed by August 29, 2020 and Fuller Street to be re-opened to traffic. Some work requiring day-time lane closures may be required while the final clean-up and restoration activities take place.

Budget/Fiscal Impact: Funds for this work will come from the approved project contingency.

Prepared by: Nicholas S. Hutchinson, P.E., City Engineer

Reviewed by: Craig Hupy, Public Services Area Administrator

Approved by: Tom Crawford, Interim City Administrator

Whereas, It is necessary to perform the Southside Interceptor Sanitary Diversion Project to separate flows from the Southside Interceptor Sanitary Sewer in order to eliminate downstream sanitary sewer overflows;

Whereas, On February 4, 2019, Council approved a Permit of Temporary Entry with Amtrak for needed railroad permitting, inspection, and flagging services;

Whereas, During the performance of the work, Amtrak staff have expended more funds than they had previously estimated;

Whereas, It is now necessary to provide additional funds for Amtrak inspection and flagging services so that the project can continue unimpeded; and

Whereas, Pursuant to City Code Chapter 14, Section 1:317 Emergency Purchases and Contracts, this purchase is being reported to Council and requesting authorization of same.

RESOLVED, The City Council ratify the purchase order with National Railroad Passenger Corporation (Amtrak) in the amount of \$30,000.00 for the railroad inspection and flagging services, as described above;

RESOLVED, The City Administrator be authorized to approve amendments to the Permit of Temporary Entry agreement with National Railroad Passenger Corporation (Amtrak) up to an additional \$10,000.00 in order to satisfactorily complete the project's work; and

RESOLVED, That Council authorize the City Administrator to take the necessary administrative actions to implement this resolution.