



## Legislation Text

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**File #:** 11-0697, **Version:** 1

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Resolution for Approval of Amendment No. 3 to the Professional Services Agreement with CDM Michigan Inc. for the Lime Feed System Improvements Project (\$72,684.00)

This memorandum and resolution requests approval of Amendment No.3 to the professional services agreement with CDM Michigan Inc. for the Lime Feed Systems improvements Project.

The Lime Feed System Improvements Project is included as a high priority project for 2010 and 2011 in the City's approved Capital Improvement Plan. This project includes replacing three lime slakers and modifying the associated lime storage bins at the Water Treatment Plant (WTP). The existing lime slakers are in poor condition and were identified during the WTP Facilities Master Plan - 2006 as one of the highest priority capital improvements. The lime slakers are some of the most critical pieces of equipment at the WTP. Without operating slakers, the treatment process is ineffective and the WTP would not be able to meet state drinking water standards. A second critical component to this project is address safety concerns associated with the existing lime bins. The WTP has experienced several lime slides of varying degrees over the past 5 years that have caused minor injury to staff and damaged lime slaking and other equipment in the vicinity. Modifications to the bins will eliminate the occurrence of these events.

Council approved a consulting services agreement for \$523,163.00 and contingency in the amount of \$50,000.00 in December 2007 as part of Resolution No. R-07-606 to complete this work. In February 2009, Amendment No. 1 for a value of \$49,439.00 was approved by the City Administrator.

Amendment No. 1 was authorized to complete testing of potential lime sources, automation of dust collectors, lead paint abatement, and evaluation of several alternatives to address space constraints associated with the proposed equipment. Amendment No. 1 exhausted the contingency approved by Council as part of Resolution No. R-07-606. In March 2010, Amendment No. 2 for a value of \$99,580.00 was approved by Council as part of Resolution No. R-10-060. Amendment No. 2 was authorized to address several detailed design issues such as means to connect process equipment located on multiple floors, design modifications to accommodate the principle equipment supplier, and construction support services to address the scope of work changes included in Amendments 1 and 2.

Amendment No. 3 to the professional services agreement with CDM Michigan Inc. for a total of \$72,684.00 reflects the additional consulting services required to execute the changes described below. It is anticipated that all of these additional services will covered by the American Reinvestment and Recovery Act (ARRA) funds allocated for this project.

- Compile information to ensure compliance with ARRA that has supplied funding for this project. This work entails reviewing the General Contractor's weekly certified payroll, conducting wage interview to ensure compliance with Davis-Bacon wage rates, and reviewing and tracking all of the material provided on the project to ensure compliance with the Buy American clause of the ARRA.
- Additional residential engineering services to reflect the extended duration of construction.

The construction duration is extended because the City was required to make a significant change in equipment supplier after contract award. The primary equipment supplier was involved in litigation that prevented them from meeting several contractual requirements, and there was general concern by the City and General Contractor that they would not be able to meet specified schedule and performance requirements. Changing the equipment supplier required some redesign that ultimately extended the project schedule.

- Project management and construction services adjustments to reflect the extended duration of construction and the selection of an alternate supplier of the main process equipment.

It is recommended that Amendment No. 3 to the professional services agreement in the amount of \$72,684.00 be approved.

CDM Michigan Inc. received Human Rights approval on May 31, 2011, and complies with the living wage ordinance.

Funding for this change order is available in the approved water fund capital budget. This resolution will bring the total value of engineering services with CDM Michigan Inc. to \$744,866.00.

Funds for this project are available in the approved Water Supply System Capital Budget. This project is part of the first quarter FY10 funding for DWRF projects. First quarter funded projects are eligible for principal relief of their loans up to a value of 40% of the loan amount as part of the American Recovery and Reinvestment Act Stimulus funding.

Prepared by: Brian Steglitz, P.E., Sr. Utilities Engineer, WTP

Reviewed by: Sue F. McCormick, Public Services Administrator

Approved by: Tom Crawford, Interim City Administrator

Whereas, It is necessary to complete the Lime Feed System Improvements Project to replace three lime slakers that are in poor condition and can no longer be repaired, and to address safety concerns associated with the existing lime storage facilities at the Water Treatment Plant (WTP);

Whereas, This project is included as part of the Drinking Water Revolving Loan Fund application made by the City for a select number of water system projects and was accepted for funding through this program;

Whereas, Funding for this change order is available in the approved water fund capital budget;

Whereas, CDM Michigan Inc., as the design engineer for the Lime Systems Improvements Project, is uniquely qualified to complete the expanded scope of work because of their intimate knowledge this project; and

Whereas, CDM Michigan Inc. has received Human Rights approval on May 31, 2011, and complies with the Living Wage Ordinance;

RESOLVED, That the Amendment No. 3 in the amount of \$72,684.00 to the Professional Services Agreement with CDM Michigan Inc. be approved;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute Amendment No. 3

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 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.