



**Meeting Date:** August 6, 2018

**Report No.** SUA-18-27

**Agenda Item No.**

**Purpose:** To request additional authorization for Amendment 1 to the Professional Services Agreement (PSA) with HDR Engineering, Inc. (HDR) for the East Basin Interceptor Replacement Project (13SG06).

**Budget Impact:** The project budget (13SG06) contains sufficient funds for the proposed Amendment.

**Prior Council Action or Part of an Approved Project:** Yes

**Related Items:** SUA-15-31: Authorization for Design PSA with HDR

**Alternatives:** The following alternatives are available to the City Council:

1. Authorize \$56,000, which includes contingency, in additional expenditures for CA1 with HDR.
2. Reject CA1 and direct staff to renegotiate with HDR. This will likely involve scope reductions and schedule delays.

**Recommendation:** Staff recommends that the Trustees authorize additional expenditures in the amount of \$56,000 for CA1 to the PSA with HDR for the design of the Lewis and McElroy Interceptor Replacement Project.

**Prepared by:** Peter Armans, WR Project Manager

**Reviewed by:** William Millis, WR Director

**Submitted by:** Norman McNickle, City Manager

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**Background Information:** SUA originally authorized expenditures of \$266,700 (SUA-15-31) for the PSA with HDR to design 2,600 linear feet of undersized sewer interceptor along Lewis Street and McElroy Road. The PSA was executed in May 2015 and the project schedule estimated completion of the Final Design Phase during the first quarter of 2016. However, significant project delays were experienced due to communications with affected property owners for surveying efforts, geotechnical investigations and inquiries regarding potential easements. During the three year delay period, HDR provided out of scope support to facilitate communication with property owners and support WR staff assessments and evaluations.

After an additional alternative route evaluation by WR staff to confirm the best project alignment, the project is again ready to move forward. Contract Amendment 1 (CA1) with HDR has been negotiated for

the additional work completed during the delay period. CA1 also includes HDR's hourly rate increases associated with the three year delay period as well as increases for geotechnical and surveying work related to cost escalation. In summary, CA1 includes \$11,077 for additional assistance during project delay, \$38,076 for fee structure increases to Basic Services, and \$1,616 for fee structure increases to Additional Services for an overall total of \$50,769.

This request is for an additional authorization of \$56,000 including the CA1 amount and a 10% contingency. If approved, this increase for CA1 will provide for a total project authorization of \$322,700.