



**REPORT TO: STILLWATER UTILITIES AUTHORITY**

**MEETING DATE: JANUARY 13, 2020**

<b>Agenda Item:</b>	5a. SUA-20-01
<b>Prior Council Action/Related Items:</b> <b>(Hyperlinks Or PDF)</b>	<p>McElroy/Lewis/Redbud Interceptor Project:</p> <ul style="list-style-type: none"> <li>• <a href="#">SUA-15-31</a> Professional Services Agreement (PSA)</li> <li>• <a href="#">SUA-18-27</a> Amendment 1 to Professional Services Agreement</li> </ul>
<b>Background / Issue:</b>	<p>This project provides for design and construction of 2,600 linear feet of undersized sewer interceptor along Lewis Street and McElroy Road. The project will eliminate sewer overflows and provide adequate capacity for future growth.</p> <ul style="list-style-type: none"> <li>• Through SUA-15-31, SUA originally authorized expenditures of \$266,700 (including contingency) in May 2015 for the PSA. While obtaining rights-of-entry for survey and geotechnical work, significant project delays occurred.</li> <li>• Through SUA-18-27, SUA authorized an additional \$56,000 (including contingency) in expenditures and approved Contract Amendment 1 (CA1) for additional work completed by HDR. This action increased the total project authorization to its current amount of \$322,700.</li> </ul> <p>The best route alignment for the sewer interceptor has been selected through a scoring and ranking process. The selected route requires:</p> <ul style="list-style-type: none"> <li>• right-of-way and wider permanent easements than are currently in place,</li> <li>• temporary easements in order to complete the construction work without trespassing,</li> <li>• adjusting and adding to the northern alignment, and</li> <li>• hydraulic analysis of a creek crossing.</li> </ul>
<b>Proposal/Solution:</b>	<p>Staff has negotiated Contract Amendment 2 (CA2) with HDR for a fee of \$185,993 to complete the additional work. Of this fee, \$142,679 is associated with land acquisition and negotiation services for 14 parcels.</p>

Additionally, staff anticipate needing a budget of \$210,000 to cover payments to property owners for easement purchases and damages related to the project.

The following alternatives are available:

1. Authorize \$758,120, which includes contingency, in total project expenditures for completing the existing PSA design work, the additional CA2 work, and payments for easements and damages.
2. Reject the land acquisition portion of CA2 and direct staff to negotiate ROW, easements and temporary construction easements directly with property owners. This will result in further project delays but will reduce CA2 by \$142,679.
3. Postpone or reject CA2 and advise further action required.

**Financial Impact/Funding Source(s):**

The project budget contains sufficient funds to complete the proposed work.

**Related Strategic Priority:**

#4: Place and Mobility: To develop a strong sense of place that recognizes the interconnectedness of people, buildings and public systems (such as transportation, utilities and parks) that best serve the needs of the public.

**Recommended Action/Motion:**

Motion to approve Alternative #1:

- approve staff execution of Contract Amendment 2 at a fee of \$185,993 for the north alignment change, easement acquisition services, and hydraulic analysis for a new total Professional Services Agreement fee with HDR of \$479,200;
- authorize funds in the amount of \$210,000 for easement purchases and property damages; and
- authorize total project expenditures of \$758,120, which includes a contingency of \$68,920, to cover site investigation, design, permitting, bidding, construction administration services, easement purchases and property damage payments.

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