



**Attachment(s):**

- HDL proposal dated April 9, 2015

**Summary statement:** This Action Memorandum authorizes Amendment No. 7 of the Professional Services Agreement between the City and HDL Engineers to provide construction administration services for the Sherrod Area Water and Street Improvements Phase 3 project, as well as additional design services related to Phase 3. HDL proposes Phase 3 construction administration costs of a not-to-exceed amount of \$195,965, with an additional \$16,913 for work under the project design phase. The total amount of the proposal is \$212,878.

The project will replace old steel water mains on West and East Auklet Ave., N. Caribou St. and N. Gulkana St. The project will also extend the storm water collection system north on N. Gulkana St. from E. Beaver Ave. to E. Caribou Ave. and replace one street light on N. Gulkana St.

In reference to PMC 3.21.230, Governmental and Proprietary Procurements, HDL's experience in preparing the engineering and design plans for this construction project, as well as HDL's design and construction administration of Sherrod Area Water Main Replacement Phases 1 and 2 give HDL experience and knowledge of this project which reasonably limits the source of these construction phase services to HDL.

Payments to HDL under this agreement will be made from the following sources:

Water Main Replacement – This funding pays for costs related to water main replacement.

- State ADEC Grant No. 67118 (70%) (24-20-08-6222)
- Pending ADEC loan (30% match) (24-20-08-6222)

Storm Water and Street Improvements – This funding pays for costs not related to water main replacement.

- State Grant No. 14-DC-126 (24-01-14-6225)
- Capital Project Fund (08-01-10-7087)\*
- Contractual Services, Public Works Administration (01-17-10-6030)\*
- Contractual Services, Public Works Roads (01-17-40-6030)\*
- Road Salt and Sand (01-17-40-6066)\*

\* The balance of State Grant No. 14-DC-126 is not enough to cover all project costs for improvements not eligible for ADEC funding, such as storm water system and street light improvements. Therefore, it is necessary to identify a source of City funds totaling \$200,000 to pay for the cost of these improvements and professional services not covered by Grant No. 14-DC-126. It is anticipated the 2014 audit will add funds to the end-of-year General Fund balance. The intention is to amend the 2015 budget following approval of the audit to restore any funds spent from the line items marked by asterisks.

**Administration recommendation:** Authorize Action Memorandum No. 15-042.

April 9, 2014

File: 82-051

Tom Healy, Director of Public Works  
City of Palmer  
231 W. Evergreen Avenue  
Palmer, Alaska 99645

Re: Amendment for Additional Design and Construction Phase Services  
Sherrod Area Water and Street Improvements, Phase 3

Dear Mr. Healy:

Hattenburg Dilley & Linnell (HDL) has prepared this amendment request for out-of-scope services requested by Palmer and for construction-phase services for Phase 3 of the Sherrod Area Water and Street Improvements project.

### BACKGROUND

Amendment 6 to our contract included final design phase services for water system and drainage improvements on Auklet Avenue, Caribou Avenue and Gulkana Street. It also included an ADEC Approval to Construct permit, a final design study report, specifications, construction cost estimate, and bidding assistance. Our final design effort began in early January 2015 with HDL submitting a 95% design package in mid-February. A 100% bid-ready package was submitted on March 31, 2015 and bids are currently scheduled to open on April 21, 2015.

### PROJECT DESCRIPTION

The Sherrod Phase 3 project includes the construction of approximately 2,400 linear feet of Class 52 ductile iron pipe water main and associated fittings, valves, hydrants, and services to replace the existing water system. The project also includes approximately 3,000 linear feet of street improvements, including gravel subbase, base, AC pavement, curb and gutter, sidewalks, storm drain collection, and street lighting. Existing paved streets will also be improved with new pavement and ADA-accessible sidewalks. The main project area is generally located near the Sherrod and Swanson elementary schools and includes work on Auklet Avenue, Gulkana Street, Caribou Avenue, and on the school access road.

### ADDITIONAL DESIGN PHASE SERVICES

#### Task 3 – Additional Environmental Review and Permits (Phase 3)

The Alaska Department of Environmental Conservation (ADEC) notified the City that the existing Categorical Exclusion (CatEx) from the National Environmental Protection Act requirements for the steel water main replacement work had expired. Staff requested HDL to perform the research, coordination and notifications necessary to secure a new CatEx, which is a requirement of the DEC funding. The cost of these services was **\$1,898**.

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MATERIAL  
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### Task 5 – Additional Final Design (Phase 3)

The City requested design for an additional street light at the intersection of Gulkana and Eklutna and for design and coordination with Mat-Su Borough School District staff for ADA access improvements in front of Sherrod and Swanson Elementary Schools. Additionally, we are providing easement acquisition services for a sidewalk easement on the corner of Gulkana and Caribou. The estimated cost of these services is estimated to be **\$15,015**.

The total cost of additional design phase services is estimated to be **\$16,913**.

## CONSTRUCTION PHASE SERVICES

### Task 8 – Construction Phase Services (Phase 3)

Similar to Phase 1 and 2, we understand that the scope of work for Phase 3 construction is generally to provide construction administration (CA) and full-time inspection services during the anticipated 24-week construction period (May 18, 2015 to October 31, 2015). HDL will work closely with the Public Works staff and will be the contractor's primary point of contact for verbal and written communication. Our scope of work will include construction monitoring, coordination, administration, inspection, material testing, and record drawings.

HDL will coordinate and monitor the day-to-day activities of the project on behalf of the City. Steve Reed, PE will be the Project Manager/Engineer and David Lundin, PE will be the Principal-in-Charge. Steve will be the primary point of contact and will keep the City informed of progress, field directives, and any changes as they arise and will prepare weekly written status reports. He will also coordinate with ADEC and keep them informed of the progress. David will provide quality control and oversight of HDL activities.

Construction Administration. At project start-up, HDL and our sub-consultant EDC, Inc. (EDC) will review material and equipment submittals, shop drawings, samples, and quality control submittals. HDL will conduct a pre-construction conference to review the contractor's schedule, establish procedures for submittals and shop drawings, and establish a working understanding between the contractor, HDL, and the City.

During construction, HDL will review administrative submittals and schedules and will review and respond to Design Clarification/Verification Requests (DCVRs). We will conduct formal weekly construction meetings. We will review the contractor's pay requests, verify pay item quantities, and provide recommendations for payment.

Construction Inspection & Quality Assurance Testing. HDL will provide full-time construction inspection to observe, test, and document the construction on behalf of the City. Documentation will include photographs and daily reports detailing the equipment, labor, inspections, testing, and activities occurring while our Inspector is on-site. Copies of daily reports will be provided to the City on a weekly basis. The actual hours on-site per day will be dependent on the contractor's schedule, the type of work being performed and the level of inspection required. We anticipate our inspector will work up to 60 hours per week. HDL will conduct formal substantial and final completion inspections jointly with the City and EDC and prepare a substantial completion inspection report and list of deficient items.

HDL will provide quality assurance material testing to check the adequacy of the Contractor's quality control program by performing the following independent tests:

- ✓ Approximately 25 field density tests on fill materials
- ✓ Approximately 5 laboratory moisture-density tests (Proctors) including soil gradations
- ✓ Approximately 5 laboratory grain size analysis
- ✓ Approximately 4 sets of concrete field tests and cylinder breaks
- ✓ Approximately 2 asphalt content and gradation tests
- ✓ Approximately 6 asphalt cores with density and thickness tests

Closeout Documents. HDL and EDC will review the contractor's construction markups and will prepare electronic record drawings. We will submit half-size record drawings on bond paper and will provide full- and half-size record drawings in Adobe PDF format on CD for your records. HDL will submit record drawings to ADEC and apply for Approval to Operate the new water pipelines on behalf of the City. For the construction contract closeout, we will request a release of liens and claims statement from the contractor and will distribute a project completion and acceptance certificate for execution.

Basic Assumptions. The following basic assumptions were used to prepare this estimate:

1. HDL will be the primary point of contact for verbal and written communications.
2. HDL will provide one full-time project inspector for 18 weeks during the construction period. We anticipate the inspector will work an average of 60 hours per week. Inspection will not be required on Sundays or holidays.
3. We anticipate the project inspector will work overtime for an average of up to 20 hours per week to match the contractor's schedule.
4. Only Substantial Completion and Final Completion electrical inspections will be provided for above-ground components.
5. Our work excludes claims negotiations or protracted disputes with the contractor, repeated retesting due to inadequate contractor performance, or if the contractor's work extends beyond the performance period.

Fee Estimate. HDL proposes to provide the aforementioned services on a time and expenses basis, not-to-exceed **\$195,965** as shown on the attached fee estimate worksheet.

### **TOTAL PROPOSED FEE**

The total proposed amendment amount for additional design and construction phase services is **\$212,878**. We appreciate the opportunity to provide this proposal and to continue working with you. If you have any questions, please contact me at 746-5230.

Sincerely,

HATTENBURG DILLEY & LINNELL, LLC



David Lundin, P.E.  
Principal Civil Engineer

Attach: Fee Estimate Worksheet (2 pages)

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**CITY OF PALMER - FEE PROPOSAL WORKSHEET**  
**Additional Design Phase Services and Construction Phase Services**  
**Sherrod Area Water and Street Improvements, Phase 3**

<u>TASK</u>	<u>ACTIVITY</u>	<u>QTY</u>	<u>RATE</u>	<u>HDL LABOR &amp; DIRECT EXPENSES</u>	<u>REIMBURSABLE EXPENSES</u>	<u>SUB-CONTRACTS</u>	<u>SUBTOTAL</u>	<u>TOTAL</u>
<b>3.0</b>	<b>Additional Environmental Review and Permits (Phase 3)</b>							<b>\$1,898</b>
3.1	<u>Categorical Exclusion</u>						\$1,898	
	Environmental Specialist	17.5 hrs	@ \$75	\$1,313				
	Environmental Manager	2.5 hrs	@ \$150	\$375				
	Drafter	3.5 hrs	@ \$60	\$210				
<b>5.0</b>	<b>Additional Final Design (Phase 3)</b>							<b>\$15,015</b>
5.1	<u>Additional Design Phase Services</u>						\$9,600	
	Principal Civil Engineer	8 hrs	@ \$165	\$1,320				
	Civil Engineer	16 hrs	@ \$115	\$1,840				
	Engineering Assistant	24 hrs	@ \$85	\$2,040				
	Drafter	24 hrs	@ \$100	\$2,400				
	EDC	1 Lump Sum	@ \$2,000			\$2,000		
5.2	<u>Easement Acquisition</u>						\$5,180	
	Principal Civil Engineer	2 hrs	@ \$165	\$330				
	Civil Engineer	4 hrs	@ \$115	\$460				
	Senior Right-of-Way Agent	12 hrs	@ \$160	\$1,920				
	Right-of-Way Agent	12 hrs	@ \$90	\$1,080				
	Land Surveyor	2 hrs	@ \$120	\$240				
	Survey Tech	8 hrs	@ \$100	\$800				
	Miscellaneous Reimbursables	1 Lump Sum	@ \$350		\$350			
<b>Subtotal Addl. Design Phase Services</b>				<b>\$14,328</b>	<b>\$350</b>	<b>\$2,000</b>		<b>\$16,678</b>
Markup*					\$35	\$200		\$235
<b>Total</b>				<b>\$14,328</b>	<b>\$385</b>	<b>\$2,200</b>		<b>\$16,913</b>
*10% for subcontracts, 10% for reimbursable expenses								

**CITY OF PALMER - FEE PROPOSAL WORKSHEET**  
**Additional Design Phase Services and Construction Phase Services**  
**Sherrod Area Water and Street Improvements, Phase 3**

<b>TASK</b>	<b>ACTIVITY</b>	<b>QTY</b>	<b>RATE</b>	<b>HDL LABOR &amp; DIRECT EXPENSES</b>	<b>REIMBURSABLE EXPENSES</b>	<b>SUB- CONTRACTS</b>	<b>SUBTOTAL</b>	<b>TOTAL</b>
<b>8.0</b>	<b>Construction Phase Services.....</b>							<b>\$195,965</b>
8.1	<u>Submittal/Shop Drawing Review</u>						\$8,060	
	Principal Civil Engineer	8 hrs	@ \$165	\$1,320				
	Project Manager/Engineer	16 hrs	@ \$115	\$1,840				
	Engineering Assistant	40 hrs	@ \$85	\$3,400				
	EDC Inc. (allowance)	1 Lump Sum	@ \$1,500			\$1,500		
8.2	<u>Construction Administration - Office (24 weeks)</u>						\$50,760	
	Principal Civil Engineer (4 hrs/wk)	96 hrs	@ \$165	\$15,840				
	Project Manager/Engineer (12 hrs/wk)	288 hrs	@ \$115	\$33,120				
	Clerical (1 hr/wk)	24 hrs	@ \$65	\$1,560				
	Vehicle (1/2 day rate)	6 days	@ \$40	\$240				
8.3	<u>Inspection Services (18 weeks)</u>						\$115,040	
	Inspector (40 hrs/wk straight time)	720 hrs	@ \$85	\$61,200				
	Inspector (20 hrs/wk overtime)	360 hrs	@ \$120	\$43,200				
	Vehicle (1 day rate)	108 days	@ \$80	\$8,640				
	EDC Inc. (allowance)	1 Lump Sum	@ \$1,500			\$1,500		
	Miscellaneous Reimbursables	1 Lump Sum	@ \$500		\$500			
8.4	<u>Quality Assurance Material Testing</u>						\$6,325	
	Geotechnical Engineer	4 hrs	@ \$145	\$580				
	Field Materials Tech.		Included w/ inspection					
	Lab Supervisor	8 hrs	@ \$105	\$840				
	Nuclear Densometer	25 days	@ \$35	\$875				
	Lab. Moisture-Density Test	5 ea	@ \$270	\$1,350				
	Lab. Grain Size Analysis	5 ea	@ \$70	\$350				
	Field Concrete Test	4 ea	@ \$125	\$500				
	Concrete Cylinder Break	12 ea	@ \$20	\$240				
	Asphalt Content with gradation	2 ea	@ \$245	\$490				
	Asphalt Core Density	6 ea	@ \$120	\$720				
	Clerical	4 hrs	@ \$70	\$280				
	Consumables	1 Lump Sum	@ \$100		\$100			
8.5	<u>Record Drawings and Closeout</u>						\$15,320	
	Principal Civil Engineer	8 hrs	@ \$165	\$1,320				
	Project Manager/Engineer	40 hrs	@ \$115	\$4,600				
	Drafter	80 hrs	@ \$105	\$8,400				
	EDC Inc. (allowance)	1 Lump Sum	@ \$1,000			\$1,000		
<b>Subtotal Task 8</b>				<b>\$190,905</b>	<b>\$600</b>	<b>\$4,000</b>		<b>\$195,505</b>
Markup*					\$60	\$400		\$460
<b>Total Task 8</b>				<b>\$190,905</b>	<b>\$660</b>	<b>\$4,400</b>		<b>\$195,965</b>
*10% for subcontracts, 10% for reimbursable expenses								