

**CITY OF PALMER
ACTION MEMORANDUM No. 14-077**

Subject: Authorize the City Manager to Negotiate and Execute the Professional Services Agreement with Hattenburg, Dilley, and Linnell, LLC to Add Engineering Design Services for Phase 3 of the Sherrord Area Water & Street Improvements Project

Agenda of: November 25, 2014

Council Action: Authorized

Approved for presentation by:

City Manager	
City Attorney	
City Clerk	

Certification of Funds:

Total amount of funds listed in legislation:	\$ <u>102,530.00</u>
This legislation (√):	
<input type="checkbox"/> Has no fiscal impact	
Creates:	
<input checked="" type="checkbox"/> A negative fiscal impact in the amount of:	\$ <u>102,530.00</u>
<input type="checkbox"/> A positive fiscal impact in the amount of:	\$ _____
<input checked="" type="checkbox"/> Funds are budgeted.	
Funds originally budgeted:	\$ _____
Difference in budgeted funds:	\$ _____
Funds are budgeted from this (these) line item(s):	
➤ 24-20-07-6225 ADEC #67117	\$ <u>71,771.00</u>
➤ 24-02-07-6225 City Match 67117	\$ <u>30,759.00</u>
➤	\$ _____
<input type="checkbox"/> Funds are not budgeted.	
Budget amendment required in the total amount of:	\$ _____
Affected line item(s):	
➤	\$ _____
➤	\$ _____
➤	\$ _____
Unrestricted/undesignated fund balance (after budget modification)	\$ _____
Director of Finance signature certifying funds:	

Attachment(s):

- HDL's Amendment 6 Proposal Letter
- Sherrod Ph2 Budget Updates

Summary statement: This action memorandum requests approval to amend HDL's professional services agreement for the Sherrod Area Water & Street Improvements Project. HDL will complete all necessary permitting and environmental review of this project, as well as provide final design services for Phase 3, and assist with the bidding process.

Phase 3 is the last phase of the steel water main replacement project, and, with approval of this AM, HDL will design water mains to be replaced on W. Auklet between the Glenn Highway and N. Valley Way, Caribou Avenue between N. Valley Way and N. Gulkana Street, as well as design an extension of the storm water system on N. Gulkana Street between Beaver Avenue and Caribou Avenue.

Administration recommendation: Approve Action Memorandum 14-077.

October 22, 2014

File: 82-051/12-010

Tom Healy, Public Works Director
City of Palmer
231 West Evergreen Avenue
Palmer, AK 99645

RE: Proposal for Amendment 6 - Phase 3 Design Services
Sherrod Area Water and Street Improvements – City of Palmer

Dear Mr. Healy:

Hattenburg Dilley & Linnell (HDL) is pleased to present this amendment proposal for design phase engineering services for Phase 3 of the Sherrod Area Water and Street Improvements project.

Contract Background. The original contract was for a 65% Plans, Specifications & Estimate (PS&E) package for the entire Sherrod Area Water and Street Improvements project. The project has since been broken into at least four phases. Previously authorized amendments to the contract are:

- In June 2013, HDL received Amendment 1 to complete Phase 1 final design of water system improvements for portions of East Auklet and Dolphin Streets under Task 5 with the remaining budget from our original fee proposal;
- In August 2013, HDL received Amendment 2 to provide Phase 1 construction administration and inspection services under Task 8 for an amount not-to-exceed \$97,610;
- In April 2014, HDL received Amendment 3 to complete Phase 2 design services for water, storm, and street improvements along portions of East Auklet Avenue, East Dolphin Avenue, North Gulkana Street, North Chugach Street and at the school district administration building for an amount not-to-exceed \$80,835. These services included environmental permitting, final design, public involvement and LID assistance, and bidding assistance;
- In May 2014, HDL received Amendment 4 to provide Phase 2 construction administration and inspection services under Task 8 for an amount not-to-exceed \$165,885.
- In October 2014, HDL submitted a request for Amendment 5 for out-of-scope services related to Phase 2, in the amount of \$14,840.

Phase 3 Design Phase Services. The City has requested HDL prepare this proposal to provide design phase services for the Phase 3 project, which includes water system improvements for Auklet Avenue between the Glenn Highway and Valley Way, Caribou Avenue between Valley Way and a portion of Gulkana Street, as well as an extension of the stormwater system on Gulkana Street between Beaver Avenue and Caribou Avenue. Our

CIVIL
ENGINEERING

GEOTECHNICAL
ENGINEERING

TRANSPORTATION
ENGINEERING

ENVIRONMENTAL
SERVICES

PLANNING

SURVEYING

CONSTRUCTION
ADMINISTRATION

MATERIAL
TESTING

work will include DEC permitting, a final design study report, final design for bid-ready plans, specifications, and estimate, and bidding assistance. The Phase 3 project will complete the City's steel water main replacement program. The additional scope of services required to complete these improvements is detailed below.

SCOPE OF SERVICES

Task 3 – Environmental Review and Permits (Phase 3)

We anticipate that permits required for this phase of the project will be DEC Approvals to Construct for the proposed water improvements and the stormwater improvements. We will complete the permit applications and coordinate with DEC for the plan reviews. A detailed fee proposal worksheet is attached.

Task 5 – Final Design (Phase 3)

HDL will provide final design services for Phase 3 water and stormwater improvements. We will repackage the 65% design to eliminate as many non-DEC-eligible costs as possible. HDL will provide a final Design Study Report (DSR) with the 95% plans, specifications & estimate. The final DSR will include a list of utility conflicts and resolutions from our coordination with affected utility companies. We will obtain utility designs on behalf of the City for inclusion in the bid package. We will update the construction cost estimate at 95% and at final design to reflect changes in quantities and pay items determined in the final detailing of the work. We will also re-examine and update unit prices to provide an accurate final estimate. The final deliverables for this task will include bid-ready plans, stamped and signed by a registered professional engineer in the State of Alaska, a bid-ready Project Manual with bidding and contract documents and special provisions, and the engineer's construction cost estimate. A detailed fee proposal worksheet is attached.

Task 7 - Bidding Assistance (Phase 3)

HDL will assist the City with bidding the project. We will attend a pre-bid conference, respond to bidders' questions, prepare addenda as necessary, review the City's bid tabulation, and prepare a recommendation for award. A detailed fee proposal worksheet is attached.

BASIC ASSUMPTIONS

The following basic assumptions were used to prepare this estimate:

1. Phase 3 will be designed in a single construction document set and bid one time.
2. Permit review fees will be paid for directly by the City of Palmer.
3. Design services are limited to water and stormwater improvements and minor street improvements as appropriate to maximize DEC-grant eligible work and minimize City costs. We do not anticipate any electrical engineering will be required.
4. The City will provide an accurate current inventory of items to be listed as "owner-furnished" in the bid package.

SCHEDULE

The milestone schedule for completion of these services is as follows:

Item	Deadline
95% PS&E and DSR	01/16/15
DEC Permit Application	01/30/15
100% PS&E	02/20/15
Advertise bid documents	03/03/15
Bid opening	03/31/15

FEE

We propose to provide the aforementioned Phase 3 design services on a time and expenses basis at our published hourly labor rates and a discounted 5% mark-up of subcontracts and reimbursable expenses as an amendment to our current Professional Services Agreement for an additional budget not-to-exceed **\$102,530**, as detailed on the attached worksheet.

We appreciate the opportunity to provide this proposal and look forward to assisting the City with this important project. If you have any questions, please contact me at 746-5230.

Sincerely,

HATTENBURG DILLEY & LINNELL



David Lundin, P.E./Principal
Project Manager

Attach: Fee Proposal Worksheet – Phase 3 (2 pages, dated October 22, 2014)

FEE PROPOSAL WORKSHEET
Engineering Services
Sherrod Area Water Improvements - Phase 3

TASK	ACTIVITY	QTY	RATE	HDL LABOR*	REIMBURSABLE EXPENSES	SUB- CONTRACTS	SUBTOTAL	TOTAL
2.0	<i>Environmental Permitting - Phase 3</i>							\$5,530
2.1	<u>DEC Permit Coordination</u>						\$5,530	
	Principal Civil Engineer	2 hrs	@ \$165	\$330				
	Civil Engineer	32 hrs	@ \$120	\$3,840				
	Engineering Assistant	16 hrs	@ \$85	\$1,360				
5.0	<i>Final Design - Phase 3</i>							\$90,240
5.1	<u>Management/Coordination/Quality Assurance</u>						\$12,780	
	Principal Civil Engineer	60 hrs	@ \$165	\$9,900				
	Civil Engineer	24 hrs	@ \$120	\$2,880				
5.2	<u>Civil Plans (41 sheets)</u>						\$50,600	
	Civil Engineer	100 hrs	@ \$120	\$12,000				
	Engineering Assistant	160 hrs	@ \$85	\$13,600				
	Designer/Drafter	240 hrs	@ \$100	\$24,000				
	Reimbursable Expense	1 budget	@ \$1,000		\$1,000			
5.3	<u>Specifications & Bidding Documents</u>						\$4,440	
	Civil Engineer	16 hrs	@ \$120	\$1,920				
	Engineering Assistant	24 hrs	@ \$85	\$2,040				
	Clerical	8 hrs	@ \$60	\$480				
5.4	<u>Construction Cost Estimate</u>						\$8,680	
	Civil Engineer	24 hrs	@ \$120	\$2,880				
	Engineering Assistant	40 hrs	@ \$85	\$3,400				
	Designer/Drafter	24 hrs	@ \$100	\$2,400				
5.5	<u>Final Design Study Report</u>						\$2,460	
	Civil Engineer	12 hrs	@ \$120	\$1,440				
	Engineering Assistant	12 hrs	@ \$85	\$1,020				
5.6	<u>Utility Coordination</u>						\$11,280	
	Civil Engineer	16 hrs	@ \$120	\$1,920				
	Engineering Assistant	16 hrs	@ \$85	\$1,360				
	Utility Specialist	80 hrs	@ \$100	\$8,000				

FEE PROPOSAL WORKSHEET
Engineering Services
Sherrod Area Water Improvements - Phase 3

TASK	ACTIVITY	QTY	RATE	HDL LABOR*	REIMBURSABLE EXPENSES	SUB-CONTRACTS	SUBTOTAL	TOTAL
7.0	<i>Bidding Assistance - Phase 3</i>							\$6,710
7.1	<u>Pre-Bid Conference (1 each)</u>						\$1,490	
	Principal Civil Engineer	2 hrs	@ \$165	\$330				
	Civil Engineer	4 hrs	@ \$120	\$480				
	Engineering Assistant	8 hrs	@ \$85	\$680				
7.2	<u>Assistance During Bidding</u>						\$5,220	
	Principal Civil Engineer	4 hrs	@ \$165	\$660				
	Civil Engineer	16 hrs	@ \$120	\$1,920				
	Engineering Assistant	16 hrs	@ \$85	\$1,360				
	Designer/Drafter	8 hrs	@ \$100	\$800				
	Clerical	8 hrs	@ \$60	\$480				
Subtotal				\$101,480	\$1,000	\$0		\$102,480
Markup**					\$50	\$0		\$50
Total Fee				\$101,480	\$1,050	\$0		\$102,530
*also includes those expenses charged without a markup								
**5% for subcontracts, 5% for reimbursable expenses								

Sherrod Area Water Street Improvements Phase 2

Funding Source	Line Item	01/01/2014	Vendor	Contract	10/31/2014	(Budget - Contract)	Legislation
		Budget		Encumbered	Spent	11/01/2014	
ARRA Grant 677221	24-40-02-6221	\$ 41,184	HDL	40,418.00	41,184.00	0	AM 14-025
	24-40-02-6225	\$ 340,638	HDL, DEC, News adv		39,417.96	0	
	24-40-02-6225		HD Supply Waterworks	301,220.14	301,220.14	0	AM 14-031
ADEC Grant 67117	24-20-07-6225	\$ 958,759	Dirtworks	288,541.62	288,541.62	\$ 670,217.38	AM 14-034
Steel Water Main			HDL (Construction Admin)	86,020.00	31,830.13	\$ 584,197.38	AM 14-035
			Dirtworks Chg Order #1	290,585.58	290,585.58	\$ 293,611.80	AM 14-051
			HDL Design Work		46,003.89		
			Add'l Costs: PRDG, HDS, GCI		55,864.85		
ADEC Grant 67117		\$ 958,759		665,147.20	712,826.07	\$ 191,743.06	Remaining Budget
City Match 67117	24-02-07-6225	\$ 706,530	Dirtworks	123,660.69	123,660.69	\$ 582,869.31	AM 14-034
			HDL (Construction Admin)	36,865.00	13,641.47	\$ 546,004.31	AM 14-035
			Dirtworks Chg Order #1	124,536.68	124,536.68	\$ 421,467.63	AM 14-051
			Dirtworks Chg Order #3	3,654.00	3,654.00	\$ 417,813.63	
			HDL Design Work		19,715.96		
			Add'l CostsL PRDG, HDS, GCI		20,288.08		
City Match 67117		\$ 706,530		288,716.37	305,496.88	\$ 377,809.59	Remaining Budget

Sherrod Area Water Street Improvements Phase 2

(Budget - Contract)

Funding Source	Line Item	01/01/2014	Vendor	Contract	10/31/2014	11/01/2014	Legislation
		Budget		Encumbered	Spent	Remaining Budget	
DCCED Grant 14-DC-126	24-01-14-6225	\$ 952,381	HDL	40,417.00	42,707.55	\$ 911,964.00	AM 14-025
Steel Water Main Imprv			Dirtworks	746,822.39	250,020.82	\$ 165,141.61	AM 14-034
			Dirtworks Chg Order #4	21,750.13		\$ 143,391.48	AM 14-060
			HDL (Construction Admin)	25,000.00	29,767.01	\$ 118,391.48	AM 14-035
Steel Water Main Imprv		\$ 952,381		833,989.52	322,495.38	\$ 118,391.48	Remaining Budget
DCCED Grant 13-DC-318	24-01-11-6225	\$ 240,000	HD Supply Waterworks	14,733.50	14,733.50	\$ 225,266.50	AM 14-031
Water Main Tie Ins			Dirtworks	180,629.50	174,746.27	\$ 44,637.00	AM 14-034
			HDL (Construction Admin)	18,000.00	13,204.94	\$ 26,637.00	AM 14-035
Water Main Tie Ins		\$ 240,000		213,363.00	202,684.71	\$ 26,637.00	Remaining Budget
Road Fund 10	10-01-04-6301	\$ 109,268	Dirtworks	60,805.23	719.93	\$ 48,462.77	AM 14-034
			HDL Design/LID		5,064.46		
Road Fund 10		\$ 109,268		60,805.23	5,784.39	\$ 48,462.77	Remaining Budget
Eagle Trail Head Parking	08-01-10-7151	\$ 35,000	Dirtworks Chg Order #2	29,294.38	14,855.55	\$ 5,705.62	AM 14-052
			HDL Design Work		4,103.10		
Eagle Trail Head Parking		\$ 35,000		29,294.38	18,958.65	\$ 1,602.52	Remaining Budget