



**TO:** Mayor Shaun Sipma  
Members of the City Council

**FROM:** Emily Huettl, PE, Assistant City Engineer

**DATE:** September 8, 2020

**SUBJECT:** SSD 123 – 10<sup>TH</sup> ST SW – ENGINEERING CONTRACT AMENDMENT (4393)

**I. RECOMMENDED ACTION**

1. Recommend Council approve the contract amendment with Ackerman-Estvold and authorize the Mayor to sign the amendment.

**II. DEPARTMENT CONTACT PERSONS**

Lance Meyer, City Engineer	857-4100
Emily Huettl, Assistant City Engineer	857-4100

**III. DESCRIPTION**

A. Background

10<sup>th</sup> Street SW from 37<sup>th</sup> Avenue to 31<sup>st</sup> Avenue SW and surrounding areas have long been identified as known storm water problem areas. This project was included in the approved capital improvements plan for 2019 design and 2020 construction. The project was bid in early 2020 and Wagner Construction began work in May.

B. Proposed Project

The project includes installation of storm sewer on 10<sup>th</sup> St, 7<sup>th</sup> St, 32<sup>nd</sup> Ave, and 34<sup>th</sup> Ave SW. Additionally, 10<sup>th</sup> St SW will be reconstructed.

As the project has developed, changes have occurred that are out of the original scope of work and project assumptions made. These include:

- Value engineering which resulted in lower construction bids but also lower engineering fees utilizing the sliding scale
- Additional water utility replacements (hydrants, valves, etc.) resulting in the need for additional construction oversight
- Contract was based on a 120 day working schedule but the project is currently projecting a 154 day schedule
- Milestone 1 was not reached until 27 days after its completion date

A full explanation of these items are included in the attached memo from Ackerman-Estvold. To summarize, Ackerman-Estvold is requesting their contract be increased to match the budgeted engineering amount of \$433,000 from its current amount of \$388,829 based on the sliding scale and low bid. Staff has reviewed the request and feels the hours and fees being requested are fair and justified.

C. Consultant Selection

Ackerman-Estvold was selected using a qualifications based selection process.

**IV. IMPACT:**

A. Strategic Impact:

10<sup>th</sup> Street SW and surrounding areas have long been identified as known storm water problem areas and this project will address those problems. During flooding, 31<sup>st</sup> Avenue SW is blocked which restricts access to the surrounding neighborhoods. This minor arterial must remain open during large rain events, especially when major medical facilities are being relocated to the southwest.

B. Service/Delivery Impact:

During construction, traffic will be disrupted but care will be taken to maintain local access. Following construction, traffic will no longer be disrupted by flooding roads during rain events.

C. Fiscal Impact:

The following shows estimated costs and actual bid costs:

<u>Project Costs</u>	<u>Engineers Report</u>	<u>Bid + Eng &amp; Fees</u>
Estimated Storm Sewer Cost	\$2,600,310.19	\$2,698,905.67
Estimated Street Cost	\$ 934,835.00	\$ 721,279.10
<u>Estimated Water Cost</u>	<u>\$ 29,871.25</u>	<u>\$ 110,073.50</u>
Total	\$3,565,016.44	\$3,530,259.27
 <u>Project Funding</u>		
Storm Sewer Development	\$1,300,155.09	\$1,349,452.83
Special Assessment	\$1,300,155.09	\$1,349,452.83
Street Improvement	\$ 934,835.00	\$ 721,279.10
<u>Watermain Utility</u>	<u>\$ 29,871.25</u>	<u>\$ 110,073.50</u>
Total	\$3,565,016.44	\$3,530,259.27

The proposed project will have two main funding sources – storm sewer development funds and special assessments (10-year term) of the benefiting properties. Additionally, a portion of the roadway reconstruction will be funded through the street improvement fund for roadway reconstruction that is not a direct result of the storm sewer improvement work. The City will also fund the costs of water replacements through the watermain utility.

This contract amendment will have no fiscal impact, as the \$433,000 was already budgeted for the engineering contract.

**V. ALTERNATIVES**

The council has the option not to approve the engineering amendment. However, this is needed and justified to complete the inspection necessary to ensure a sound project.

**VI. TIME CONSTRAINTS**

A timely approved amendment will keep the necessary project funds available for payment of expenses.

**VII. LIST OF ATTACHMENTS**

- A. Amendment to Owner-Engineer Agreement No. 1