



THE CITY OF KEY WEST

Post Office Box 1409 Key West, FL 33041-1409 (305) 809-3700

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EXECUTIVE SUMMARY

TO: Jim Scholl, City Manager
E. David Fernandez, Asst. City Manager
Gary W. Bowman, General Services Director

FROM: Jay Gewin, Utilities Manager

DATE: April 5, 2010

SUBJECT: **Approving Amendment #2 to Task Order 1-08-SWR from CDM, Inc. for the Design, Engineering, and Construction Management for the Diffused Aeration Project at the WWTP in the Amount of \$49,991.00**

ACTION STATEMENT:

This resolution will approve Amendment # 2 to Task Order 1-08-SWR for the design, engineering, and construction management for the Diffused Aeration Project at the WWTP in the Amount of \$49,991.00

The agreement is executed pursuant to F.S. 287.055 (CCNA), City Code 2-841, and the City's contract with CDM approved by Resolution # 07-333.

BACKGROUND:

The City Commission approved a task order from CDM, Inc. to design a new diffused aeration system for the Wastewater Treatment Plant in 2007 (Resolution 07-378) in the amount of \$613,162.00. The first amendment to this task order in the amount of \$11,994.00 was approved June 4, 2008 and altered design in order to significantly decrease construction costs (Resolution 08-164).

The City Commission awarded the construction of this \$3,982,000 project to the low-bidder Wharton-Smith, Inc. (Resolution 09-251) on September 24, 2009.

Construction is currently ongoing on this project that will install a new diffused aeration system at the WWTP that will improve its ability to treat higher

organic wastewater loads arriving at the facility. This will replace a 20-year old mechanical surface aeration system with modern technology that is today's industry standard. The diffused aeration system will improve our wastewater treatment efficiency.

A fine bubble diffused aeration system to meet the oxygen needs of the facility will provide a lower present worth cost (capital cost and operation and maintenance cost) compared to retaining (replacement/rehabilitation) the existing mechanical surface aerators to perform this function.

Army Corps of Engineers stimulus funding will reimburse the City for 65% of the costs of this project. The City Commission approved an agreement that authorized the US Army Corps of Engineers to fund local wastewater projects (in addition to stormwater), specifically this Diffused Aeration Project. (Resolution 09-228)

PURPOSE & JUSTIFICATION:

A few factors have changed since the original design task order for this project was approved back in 2007. These include:

1. Assistance with Army Corps of Engineers Funding – The City decided that it would seek federal stimulus funding from the Army Corps to help fund 65% of the cost of the Diffused Aeration System project. By capitalizing on this opportunity, it was necessary for the City to utilize CDM to modify its bid documents to ensure compliance with federal stimulus funding requirements, along with the City's need to obtain additional information from the engineer to present to the Army Corps for its approval.
2. Timely Review of Multiple Submittals – This highly technical project requires a significant number of engineering reviews of shop drawings and component specifications to make sure that the project is completed according to design. This work had to be expedited and reviews needed to occur many more times than anticipated due to the tight grant funding deadlines. Not just in terms of the number of submittals, but in terms of the number of times any given submittal had to be sent back and forth to resolve the technical issues in a short time frame so that expedited construction could proceed.

Staff has closely reviewed this submittal and found it reasonable for the amount of work to be performed, and consistent with the hourly rates established in the City's contract with CDM.

OPTIONS:

1. Approval of this task order amendment will provide the resources from CDM to assist the City with the construction of the diffused aeration system on an accelerated basis to meet grant deadlines. This will allow the City to ensure we will have 65% of the project funded through ACOE federal stimulus funding.
2. The City could choose not to use the resources through this amendment and most likely delay completion of this project. Failure to complete this project in a timely

manner will lead to a loss of grant funding for the project. The City does not currently have the staffing available to perform this sort of technical analysis for the Diffused Aeration Project. QA/QC role provided by CDM is critical to the successful completion of the capital project.

FINANCIAL IMPACT:

The fees for this project will be funded through sewer budget line item 401-3503-535-65/SE 0010. The Diffused Aeration project is included in the FY 2010 sewer capital improvement plan.

The Army Corps of Engineers will reimburse the City for 65% of the cost of this project through federal funding that was expedited through the stimulus legislation. Amendment # 1 of the PCA agreement with the Corps enabled the Diffused Aeration project to be eligible for stimulus funding. Additionally, the US Navy will contribute 23% of the City's share of the total project cost since the Wastewater Treatment Plant's costs are shared. For this task order, the funding breakdown is as follows:

Navy Share.....	\$ 4,771.77
ACOE Grant.....	\$29,244.15
<u>City Sewer Utility Funds (account # 401-3503-535-65).....</u>	<u>\$15,975.08</u>
Total	\$49,991.00

The Army Corps of Engineers has strict deadlines in order for the City to be reimbursed for 65% of the cost of this project. Failure to have sufficient engineering staff to oversee the project through to its completion would likely put the City in danger of not being able to meet these deadlines.

RECOMMENDATION:

The staff recommends option # 1, that the City approve Amendment # 2 to Task Order 1-08-SWR in the amount of \$49,991.00

City of Key West – Richard A. Heyman Environmental Protection Facility Replacement of Existing Surface Aerators with Diffused Aeration System – Amendment No. 2

Assistance with Army Corps of Engineers (ACE) Funding and Review of Additional Shop Drawings

Proposed Scope of Engineering Services

Task Order 1-08 SWR

This Amendment No. 2 to Task Order 1-08-SWR is hereinafter considered a part of the Master Services Agreement dated September 20, 2007 (AGREEMENT), between the CITY OF KEY WEST, Florida, hereinafter referred to as CITY and CAMP DRESSER & MCKEE INC. duly authorized to conduct business in the State of Florida, hereinafter referred to as ENGINEER.

Background

Under Task Order 1-08 SWR, CITY has authorized the ENGINEER to provide engineering services for design, permitting, bidding and construction phase services.

Upon completion of the design phase services and availability of federal funding options, CITY decided to pursue funding assistance from Army Corps of Engineers (ACE) for the construction phase of this project. Assistance was requested from the ENGINEER in order to obtain this funding and modify the bid documents to incorporate the ACE requirements.

During the construction phase of this project, which is now proceeding with grant funding from ACE, contractor has submitted more shop drawings for review than were originally anticipated in the original Task Order 1-08 SWR. The scope of the original task order was prepared in September 2007. During design, significant modifications were made in the project concept in order to allow the project to be completed within the CITY's budget. These additional changes during the design phase have resulted in additional shop drawings from the contractor during the construction phase. This, too, has resulted in additional review and processing assistance from the ENGINEER.

Scope of Services

Task 9 – Assistance with ACE Funding

ENGINEER will provide assistance to the CITY on an as-needed basis to assist with obtaining grant funding from Army Corps of Engineers (ACE) towards the construction phase activities associated with the replacement of surface aerators with diffused aeration system at RHEPF.

This assistance may include, but is not limited to, providing the necessary text/memorandum/reports/figures/exhibits which support the CITY's application for additional funding from ACE. ENGINEER will also modify the contract documents to include requirements from prospective bidders that are needed under the grant funding agreement in order to fulfill CITY's obligations towards ACE.

Task 10 – Review of Additional Submittals

During the design phase of this project, the design concept of this project was modified in order to allow this project to be completed within the CITY's allocated budget. These design changes will result in additional shop drawing submittals from the contractor during the construction phase. ENGINEER will provide the necessary additional engineering services for these additional submittals to be reviewed by the appropriate engineering disciplines during the construction phase in order to allow the construction to be completed within the required timeframe.

Schedule Duration

Task 9 will be completed prior to and during the bid phase of the project. Task 10 will be completed during the construction phase of this project

Compensation

ENGINEER's compensation for engineering services described under Task 9 and 10 will be on an upset limit basis in accordance with Article 4 of the Master Services Agreement (dated September 20, 2007) and Exhibits A and B attached therewith, and in accordance with Attachment 1. The engineering fees for the services described in this Amendment No. 2 to Task Order 1-08 SWR, herein, will not exceed an estimated **\$49,991.00**.

Acceptance

By signature, the parties each accept the provisions of this CHANGE ORDER to TASK ORDER 1-08 SWR, and authorize the ENGINEER to proceed at the direction of the CITY's representative in accordance with Article 1 – SCOPE OF SERVICES, of the Agreement. Project execution will start immediately upon receipt of a signed original task order constituting a Notice-to-Proceed issued by the CITY to the ENGINEER.

For CAMP DRESSER & MCKEE INC.

For CITY OF KEY WEST



By: _____

Daniel E. Strobridge, QEP
Vice President

By: _____

J. K. Scholl
City Manager

City of Key West - Richard A. Heyman Environmental Protection Facility
 Assistance with ACE Funding and Review of Additional Submittals
 Task Order 1-10 SWM - Amendment

Attachment 1
 Proposed Estimate of Fees for Engineering Services

Task No.	Description	Office (hrs)	Office per hr (\$)	Principal/Associate (hrs)	Principal/Associate per hr (\$)	Senior Professional (hrs)	Senior Professional per hr (\$)	Professional II (hrs)	Professional II per hr (\$)	Professional I (hrs)	Professional I per hr (\$)	Staff Support (hrs)	Staff Support per hr (\$)	Project Administration (hrs)	Project Administration per hr (\$)	OPS Costs (\$)	Other Direct Cost (\$)	Total Labor (hrs)	Total (\$)
9	Assistance with ACE Funding	2	424	25	4,725	23	3,335			4	400	2	140	2	140			58	\$ 8,194
10	Modification of Documents	2	424			27	3,815	30	3,450	28	2,800	8	560	28	1,880			121	\$ 12,909
11	Review of Additional Submittals	4	848	30	5,870	60	8,700	60	6,800	30	3,000	10	700	30	2,100			224	\$ 27,918
Totals		8	\$ 1,696	55	\$ 10,595	110	\$ 15,950	90	\$ 10,350	60	\$ 6,000	20	\$ 1,400	60	\$ 4,200	-	-	403	\$ 48,991

Note: