



Request for Council Action

TO: Mayor and City Council
THROUGH: Tim Murray, City Administrator
FROM: Travis Block, Public Works Director
MEETING DATE: April 23, 2019
SUBJECT: Approve Supplemental Letter Agreement with SEH for Water Treatment Plant Construction Administration

Background:

On June 26, 2018, Council approved the selection of Short Elliot Hendrickson (SEH) to provide Professional Engineering Services for the design of a Water Treatment Plant. A master agreement was approved on September 22, 2015, when SEH was selected to conduct a feasibility study for the project.

Attached is a copy of a Supplemental Agreement Letter Agreement (SLA) for Water Treatment Plant Construction Administration, to provide construction administration and observation efforts for the project, which is currently in the bidding phase. A detailed copy of the scope of services can be found in Exhibit A-2 of the SLA (attached).

The cost estimate for the SLA is not to exceed \$359,000.00, funding will be provided by the Water Utility Fund (601).

Recommendation:

Approve Supplemental Letter Agreement with SEH

Attachments:

- Supplemental Letter Agreement

Supplemental Letter Agreement

In accordance with the Agreement for Professional Services between City of Faribault ("Client"), and Short Elliott Hendrickson Inc. ("Consultant"), effective September 22, 2015, this Supplemental Letter Agreement dated April 14, 2019 authorizes and describes the scope, schedule, and payment conditions for Consultant's work on the Project described as: Water Treatment Plant Construction Administration.

Client's Authorized Representative: Travis Block
Address: 208 1st Avenue NW
Faribault, MN 55021
Telephone: 507.333.0365 email: tblock@ci.faribault.mn.us

Project Manager: Christopher Larson
Address: 3535 Vadnais Center Drive
St. Paul, MN 55110
Telephone: 651.765.2961 email: clarson@sehinc.com

Scope: The Basic Services to be provided by Consultant:

Per SEH proposal dated attached as Exhibit A-2.


Schedule: The construction schedule is set forth in the Water Treatment Plant Contract Documents. Final Completion for the construction project is June 30, 2021.

Payment: The fee is hourly estimated to be \$359,000 including expenses and equipment. The estimated fee is subject to a not-to-exceed amount of \$359,000 expenses and equipment.

The payment method, basis, frequency and other special conditions are set forth in attached Exhibit A-1.

Short Elliott Hendrickson Inc.

City of Faribault

By: 
Christopher Larson
Title: Project Manager

By: _____
Title: _____

By: _____
Title: _____

Exhibit A-1
to Supplemental Letter Agreement
Between City of Faribault (Client)
and
Short Elliott Hendrickson Inc. (Consultant)
Dated April 14, 2019

Payments to Consultant for Services and Expenses
Using the Hourly Basis Option

The Agreement for Professional Services is amended and supplemented to include the following agreement of the parties:

A. Hourly Basis Option

The Client and Consultant select the hourly basis for payment for services provided by Consultant. Consultant shall be compensated monthly. Monthly charges for services shall be based on Consultant's current billing rates for applicable employees plus charges for expenses and equipment. Billing rates will be calculated using a 3.1 multiplier.

Consultant will provide an estimate of the costs for services in this Agreement. It is agreed that after 90% of the estimated compensation has been earned and if it appears that completion of the services cannot be accomplished within the remaining 10% of the estimated compensation, Consultant will notify the Client and confer with representatives of the Client to determine the basis for completing the work.

Compensation to Consultant based on the rates is conditioned on completion of the work within the effective period of the rates. Should the time required to complete the work be extended beyond this period, the rates shall be appropriately adjusted.

B. Expenses

The following items involve expenditures made by Consultant employees or professional consultants on behalf of the Client. Their costs are not included in the hourly charges made for services and shall be paid for as described in this Agreement but instead are reimbursable expenses required in addition to hourly charges for services:

1. Transportation and travel expenses.
2. Long distance services, dedicated data and communication services, teleconferences, Project Web sites, and extranets.
3. Lodging and meal expense connected with the Project.
4. Fees paid, in the name of the Client, for securing approval of authorities having jurisdiction over the Project.
5. Plots, Reports, plan and specification reproduction expenses.
6. Postage, handling and delivery.
7. Expense of overtime work requiring higher than regular rates, if authorized in advance by the Client.
8. Renderings, models, mock-ups, professional photography, and presentation materials requested by the Client.
9. All taxes levied on professional services and on reimbursable expenses.
10. Other special expenses required in connection with the Project.
11. The cost of special consultants or technical services as required. The cost of subconsultant services shall include actual expenditure plus 10% markup for the cost of administration and insurance.

The Client shall pay Consultant monthly for expenses.

C. Equipment Utilization

The utilization of specialized equipment, including automation equipment, is recognized as benefiting the Client. The Client, therefore, agrees to pay the cost for the use of such specialized equipment on the project. Consultant invoices to the Client will contain detailed information regarding the use of specialized equipment on the project and charges will be based on the standard rates for the equipment published by Consultant.

The Client shall pay Consultant monthly for equipment utilization.



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Exhibit A-2

April 14, 2019

RE: Proposal for Construction Phase
Professional Engineering Services
Water Treatment Plant
City of Faribault, Minnesota
SEH No. FARIT 147406

Mr. Travis Block
Public Works Director
City of Faribault
208 1st Ave. NW
Faribault, MN 55021

Dear Travis:

The City of Faribault has embarked on an important water treatment plant project to remove iron and manganese from its drinking water. Bids will be received for this project on May 2, 2019. The water treatment plant construction is expected to start in July 2019. SEH is please to present this proposal for construction administration and observation services.

A. SCOPE OF SERVICES

The scope of work for the construction administration and observation efforts is generally described below. The scope of services shown below can be adjusted as the City deems appropriate.

Construction Administration and Observation Services

Task 1 - Contract Administration

- 1.1 Hold pre-construction conference
- 1.2 Begin contract administration, act as City's Liaison with Contractor
- 1.3 Assist Owner in contracting with a materials testing firm to perform soil property and compaction testing associated with site, foundation and utility construction
- 1.4 Review shop drawings. Engineer will review shop drawings, samples and other submissions of the Contractor solely for their general compatibility with the Engineer's design intent and the conformance with information given in the Contract Documents
- 1.5 Answer Contractor questions in the interpretation of contract documents
- 1.6 Review and recommend approval of contractor's partial payment requests
- 1.7 Attend twice-monthly meetings with contractor and City Staff
- 1.8 Process change order requests as required
- 1.9 Survey baselines and provide benchmark

Task 2 – PFA Loan Requirements

- 2.1 Review wage reports from Contactor and verify with prevailing wage requirements
- 2.2 Conduct interviews with workers to verify prevailing wage requirements
- 2.3 Monitor compliance with American Iron and Steel requirements
- 2.4 Prepare MN Jobs Reporting Form

Engineers | Architects | Planners | Scientists

Short Elliott Hendrickson Inc., 3535 Vadnais Center Drive, St. Paul, MN 55110-5196

SEH is 100% employee-owned | sehinc.com | 651.490.2000 | 800.325.2055 | 888.908.8166 fax

Task 3 - Construction Observation

- 3.1 Perform both full-time and periodic on-site construction observation to become generally familiar with the progress and quality of the contractor's work and to determine if the work is proceeding in general accordance with the Contract Documents.
- 3.2 Coordinate construction activities with City staff
- 3.3 Review and advise City staff on Contractor submitted construction progress schedule. Respond to Contractor on appropriateness of the submitted construction progress schedule as it relates to the specified schedule
- 3.4 Maintain field records during on-site observation
 - 3.4.1 Inspection diary
 - 3.4.2 Record meetings, discussions, observations and decisions
- 3.5 Photograph Project progress and buried details
- 3.6 Attend periodic job site progress meetings
- 3.7 Assist City with coordination of material compliance testing work
- 3.8 Observe that record plans are maintained by all contracting forces
- 3.9 Observe that all plant tankage and piping be cleaned and disinfected per AWWA and State Plumbing Code guidelines prior to start-up

Task 4 — Contract Close Out

- 4.1 Assist with water treatment plant start up
- 4.2 Request and obtain final Operation and Maintenance manuals for contractor provided equipment
- 4.3 Request and obtain final copies of as-built drawings and sketches from contractor
- 4.4 Assist with training of operators
- 4.5 Prepare construction punch lists to expedite project completion
- 4.6 Provide notification to City and contractor of potential liquidated damages
- 4.7 Fully execute and bring closure to any liquidated damages issue
- 4.8 Request and obtain State certified IC-134 forms from Contractor and all subcontractors
- 4.9 Recommend final payment to contractor upon project completion
- 4.10 Notify surety of final payment and commencement of warranty period
- 4.11 Prepare and furnish the City a set of reproducible "Record Plans" of the construction Project showing those changes the Engineer considers significant which were made during the construction process, based on marked-up prints, drawings, and other data furnished by the Contractor, upon which the Engineer may rely in preparing the Record Plans

Special Inspections:

- a. Coordinate and perform special structural inspections as required by State Building Code.
- b. Coordinate with the City's contracted materials testing company for soils testing.
- c. Coordinate with the contractor's contracted materials testing company for concrete plasticity and strength testing.
- d. Prepare special inspection reports as required by the City's Building Official.

B. ASSUMPTIONS AND CLARIFICATIONS

1. The City of Faribault will contract with a materials testing company for soil testing and select special inspections. SEH will assist with solicitation of the required testing efforts.
2. The construction contractor will provide plasticity and strength testing of the cast-in-place concrete.

Mr. Travis Block
April 14, 2019
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C. PROJECT STAFF

For the construction phase of the project, SEH proposes to provide you with our experienced staff members with whom you worked with on the design of this project. Christopher Larson, PE will remain the project manager. Staff from SEH's St. Paul and Rochester offices will perform the inspections.

D. SCHEDULE

The water treatment plant construction is expected to start in June 2019 and conclude in the spring of 2021. Substantial completion for the project is currently January 31, 2021 and final completion is June 30, 2021.

E. COMPENSATION

We propose to complete the outlined Construction Services efforts on an hourly basis for an estimated fee of \$359,000. The fees are based upon our understanding for the level of on-site observation and administrative efforts that are likely to be necessary for this project. An hourly project budget worksheet is attached to this proposal. The City of Faribault may adjust the hours and tasks if need be to meet your project expectations.

SUMMARY

We want to thank you for the opportunity to provide construction administration services for this project. As always, it is very important to us that our services continue to meet or exceed your needs and expectations. After you have had an opportunity to review this proposal, please call me at 651.765.2961 or email me at clarson@sehinc.com if you have any questions. If this proposal is acceptable, we will fill out a Supplemental Letter Agreement and send it to you.

Sincerely,

SHORT ELLIOTT HENDRICKSON INC.



Christopher Larson, PE
Project Manager

Enclosure: Project Budget Worksheet

