



City of Grand Island

Tuesday, November 27, 2012

Council Session

Item I1

#2012-342 - Approving Revised Fiscal Year Budget Authority for the North Interceptor-Phase 1 Improvements; Project 2012-S-6

Staff Contact: Terry Brown, Interim Public Works Director

Council Agenda Memo

From: Marvin Strong, Waster Water Plant Engineer

Meeting: November 27, 2012

Subject: Consideration on Revised Fiscal Year 2012-2013 Budget Authority in the North Interceptor - Phase 1 Improvements Project 2012-S-6

Item #'s: I-1

Presenter(s): Terry Brown, Interim Public Works Director

Background

The North Interceptor project consists of multiple phases budgeted over multiple years. Black and Veatch recommended we consolidate Phase 1A and Phase 1 B, budgeted over FY 2013 and FY 2014 into FY 2013 to save money. We are requesting \$5,136,035 be advanced from the FY 2014 Capital Budget to the FY 2013 Capital Budget and are requesting the budget authority to do so before the project is bid per city ordinance.

A multi-year improvements project was presented to council, on October 4, 2011 through a City Council Study Session. City Staff, along with the engineering firm Black & Veatch of Kansas City, Missouri presented the need of the rehabilitation and the contractual process to hire a professional consulting engineer to provide services in Project Management, Collection System Master Planning and Planned Improvements in Northeast Interceptor sewer, and Collection System and Wastewater Treatment Rehabilitation.

On October 11, 2011, by Resolution 2011-307 the agreement for professional consulting engineering services between the City of Grand Island and Black & Veatch of Kansas City, Missouri in the amount of \$1,121,160 was approved by City Council.

City staff has recommended, and City Council has approved three (3) additional amendments to the original contract for various levels of design and construction services, they include;

Amendment No.1, Resolution 2012-111 on April 24, 2012 in the amount of \$1,910,075

Amendment No.2, Resolution 2012-229 on August 28, 2012 in the amount of \$53,000

Amendment No.3, Resolution 2012-329 on November 13, 2012 in the amount of \$265,754

The Consulting Services total of \$3,349,989 is summarized in Table B by project.

The next step involves the multi-year improvement program which has resulted in the following construction contracts:

- Lift Station No. 7 Improvements; 2011-S-1A-Construction awarded August 28, 2012, Resolution 2012-224, \$479,559
- 5th Street Sanitary Sewer Improvements; Project 2012-S-3-Construction to be awarded on December 4, 2012 Council Meeting, \$1,734,106
- South and West Interceptor Sewer Improvements; 2012-S-4-Construction awarded November 13, 2012, Resolution 2012-330, \$739,547
- North Interceptor Improvements (Phase 1A, 1B); Project 2012-S-6-Proposing December/January advertisement
- Headwork's Improvements, WWTP-2013-1 – 90% Design Level

The North Interceptor Improvements (Phase 1A, 1B), Project 2012-S-6 is prepared for bidding purposes. City staff had originally estimated to budget the project expense over two fiscal years. In the 2012/2013 budget there are two line items listed on page 106 that reference the North Interceptor Improvements, Project 2012-S-6. The budget line items totaling \$4,699,087 are North Concrete Interceptor Replace (Seedling Mile to WWTP for \$2,376,000 and North Concrete Interceptor Replace (7th to Seedling Mile) for \$2,323,087. City staff is requesting council consideration to amend the total of these two line items to \$9,835,000 for fiscal year 2012/2013 budget to allow budget authority to advertise the North Interceptor Improvement Project 2012-S-6 in an advanced construction schedule. A summary of the project costs are shown in Table A.

Discussion

In October 2011, the city embarked on development of construction plans for the rehabilitation / replacement of the city's North Interceptor (a large diameter, gravity sewer, collection system). The north Interceptor is comprised of five-and-one-half (5.5) miles of sewage collection infrastructure, installed over forty (40) years from the early seventies (1970's) to the present. Segments of the interceptor are in use beyond their engineered useful life, and the integrity of these is questionably compromised. Additionally, this interceptor will not be able to meet the capacity requirements warranted by Grand Island's growth projections for the area.

City staff in conjunction with consulting engineer; Black & Veatch have developed the construction bidding documents for the North Interceptor – Phase 1 Project. This gravity sewer interceptor project has incorporated modern large diameter sewer pipe methodologies, along with the rehabilitation necessary to complete the work. Phase 1 Project concentrates on two (2) miles of large diameter gravity sewer work within the overall North Interceptor project planning.

The result of this Phase 1 project will provide placement of new collection systems infrastructure under State Highway 30 and the Union Pacific Railways easements, which provides the infrastructure routing alignment needed to place a new head-works facility at the wastewater treatments plant into service.

North Interceptor Improvements, Project 2012-S-6

Table A					
Project Estimation			Current 2013 FY Budget	Estimated 2014 FY Budget	Proposed Amendment to 2013 FY Budget
Work Function	Comprehensive Design Level	100% Design Level	2012/2013	2013/2014	2012/2013
Project Construction	\$ 8,170,000	\$ 8,151,000	\$ 4,170,587	\$ 3,999,535	\$ 8,151,000
Contingency	\$ -	\$ 665,000	\$ -	\$ -	\$ 665,000
Design Services	\$ 1,011,178	\$ -	\$ 12,000	\$ 90,000	\$ 102,000
Construction Phase Services	\$ 817,000	\$ -	\$ 516,500	\$ 300,500	\$ 817,000
Easement Acquisition	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000
Totals	\$ 9,998,178	\$ 8,816,000	\$ 4,699,087	\$ 4,490,035	\$ 9,835,000

Consulting Services \$3,349,989 Summary for Improvements Projects

Table B					
Payment by Fiscal Year	Lift Station No. 7 Improvements	5 th Street Sanitary Sewer Improvements	South and West Interceptor Sewer Improvements	North Interceptor Improvements Phase 1	Headwork's Improvements
2011/2012	\$ 125,233	\$ 106,794	\$ 82,545	\$ 634,028	\$ 807,232
2012/2013	\$ 3,324	\$ 2,786	\$ 2,078	\$ 76,255	\$ 154,555
Total	\$ 128,557	\$ 109,579	\$ 84,623	\$ 710,282	\$ 961,787
Consulting Services Total	\$ 286,279	\$ 239,435	\$ 177,834	\$ 1,011,178	\$ 1,635,263

Balance \$ 157,722 | \$ 129,856 | \$ 93,211 | \$ 300,896 | \$ 673,478

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve a resolution authorizing a budget amendment in budget authority for North Interceptor – Phase 1 Improvements Project 2012-S-6.
2. Refer the issue to a Committee.
3. Postpone the issue to future date.
4. Take no action on the issue.

Recommendation

The North Interceptor project consists of multiple phases budgeted over multiple years. Black and Veatch recommended we consolidate Phase 1A and Phase 1 B, budgeted over FY 2013 and FY 2014 into FY 2013 to save money. We are requesting \$5,136,035 be advanced from the FY 2014 Capital Budget to the FY 2013 Capital Budget and are requesting the budget authority to do so before the project is bid per city ordinance.

City Administration recommends that the Council approve amending the line item budget authority in the fiscal year 2012/2013 budget for the construction of North Interceptor – Phase 1 Improvements Project 2012-S-6, from \$4,699,087 to \$9,835,000 representing an increase of \$5,135,913.

Sample Motion

Move to approve the amendment of the two budget line items in the fiscal year 2012/2013 budget for the construction of North Interceptor – Phase 1 Improvements Project 2012-S-6.

RESOLUTION 2012-342

WHEREAS, Waste Water Division is requesting budget authority to advertise a construction project entitled the North Interceptor - Phase 1 Improvements Project 2012-S-6; and

WHEREAS, a line item amendment to the Waste Water Division Capital budget would be required to increase the project from \$4,699,087 to \$9,835,000 for the 2012/2013 fiscal year; and

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the City of Grand Island be, and hereby is, authorizing city staff to amend the line item budget authority for the North Interceptor-Phase 1 Improvements Project 2012-S-6 for fiscal year 2012/2013 budget for the construction of North Interceptor – Phase 1 Improvements Project 2012-S-6 to \$9,835,000

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Adopted by the City Council of the City of Grand Island, Nebraska, November 27, 2012.

Jay Vavricek, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☒ _____
November 21, 2012	☒ City Attorney