



CITY OF DURHAM | NORTH CAROLINA

Date: February 16, 2016

To: Thomas J. Bonfield, City Manager

Through: W. Bowman Ferguson, Deputy City Manager

From: Donald F. Greeley, Director, Water Management

Subject: Downtown Loop Waterline Replacement and Water Meter Upgrades – Amendment 1 with Kimley-Horn and Associates, Inc.

Executive Summary

The City of Durham awarded a professional services contract to Kimley Horn and Associates, Inc. (KHA) at the June 18th, 2012 City Council meeting for design, surveying, and construction related services for the rehabilitation and replacement of water lines within the Downtown Loop in the amount of \$1,437,167. The construction of the improvements has been under way since September 2014, and additional funds are required for KHA to complete construction observation and administration of the construction project.

The initial Contingency fund addressed both design- and construction-related issues of additional work. Now, additional fee to cover construction-related costs has been negotiated in the amount of \$237,600; and an amendment to add this fee to the KHA design contract is proposed.

Recommendation

The Department of Water Management recommends that the City Council:

1. Authorize the City Manager to execute a contract amendment with Kimley-Horn and Associates, Inc. in an amount not to exceed \$237,600.00 for the Downtown Loop Waterline Replacement and Water Meter Upgrades Contract for a revised, total contract amount not to exceed \$1,814,767.00.

Background

The City of Durham is under contract with KHA to provide full-time construction observation and administration services for the Downtown Loop Waterline Replacement construction project. These services include public relations and information efforts as well as coordination with proposed City/stakeholder events. This work is performed on a time and material basis.

The scope and fee for construction services was negotiated in 2012 before design plans and permits were acquired, outreach to affected stakeholders had taken place, and construction activities began. The level of effort agreed upon for construction services was based, in part, on KHA's experience with stakeholders during the 2006 Downtown Streetscape project and the number of known stakeholders existing in 2012, with the stakeholders primarily being primarily business owners during these times.

Also approved at the 2012 City Council Meeting was a \$140,000 Contingency fund. This fund represented roughly 10% of the consultant's professional services base fee, and is intended

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to address unforeseen conditions encountered in the field, additional work requested by the City, etc., during design, permitting, and construction phases.

Issues and Analysis

Since construction started in September 2014, KHA has performed additional work beyond the originally-developed scope. Summarily, the extra work is associated with unforeseen field conditions, additional inspection due to added crews and 24-hour work days, and reaching out to stakeholders.

The Contingency fund of \$140,000 has been applied to two change orders (COs), via City Manager's Office approvals. CO #1 covered additional design and survey costs (\$63,200), and CO #2 covers additional construction administration and observation costs (\$76,800). The CO #2 work is nearly complete and there will be no Contingency monies remaining.

This Amendment is being requested to cover construction related services beyond the Contingency. A detailed list of the issues requiring additional effort is included in the attached amendment scoping letter; and a brief description of each is as follows:

- **Concealed Conditions** – The pipelines in this portion of the City's system are very old and are inaccurately recorded (if recorded at all). Once exposed during construction, additional work is required by the contractor to repair, replace, or connect to pipes not earmarked for replacement. The additional contractor work requires additional consultant oversight, design, and in some cases, permitting.
- **Construction Coordination/Accommodation** – Many stakeholders requested shifts in the contractor's schedule or adjustments to scope once construction began. These shifts frequently required night and weekend work above and beyond the amount assumed when the original contract was established, resulting in additional construction administration and observation time. Another task associated with this is to modify and obtain approval of traffic-control drawings to facilitate the shifts.
- **Public Outreach** – With the redevelopment occurring inside and adjacent to the Downtown Loop that includes an influx of *residential* stakeholders, significantly more outreach to downtown residents and businesses was/is required. This frequently involves door-to-door visits to residents, after-hours meetings, and additional public relations materials preparation.

Alternatives

Alternative #1 - Do not amend the contract to provide additional construction observation and administration services and instead complete the construction oversight with existing City staff. Under this alternative, KHA's services would be used until current funds are exhausted, at which time City inspectors and engineers would begin oversight. Adequate City staff time is not available to assume this level of oversight, and delays and cost overruns of the construction project are likely.

Financial Impact

The immediate cost to the City for the contract amendment with Kimley-Horn and Associates, Inc. is \$237,600.00. The funds are currently available in 4100P002-732003-POBA6.

SDBE Summary

This is a contract amendment. Kimley Horn and Associates, Inc. will be using the following SDBE firm for the additional scope of services:

Firm	ID	City/State	Amount	% of Contract
Hollins Construction Services, Inc.	MSDBE	Wake Forest, NC	\$ 70,000	29%