



**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:** Department of Water Management Mist Lake Facility Expansion Program Management – Heery International, PC

### **Executive Summary**

In September of 2015, the Department of Water Management (DWM) in conjunction with the General Services Department (GSD) issued a Request for Qualifications (RFQ) for Professional Consulting Services (Program Management, Commissioning, LEED Consulting and New Equipment Planning and Logistics) for the Department of Water Management Mist Lake Facility Expansion project. The Department will be relocating the Water & Sewer Maintenance Division from the Public Works Operations Center to the Mist Lake Facility and constructing a new laboratory facility at the South Durham Water Reclamation Facility. Program management services will assist DWM and GSD personnel in managing the projects. The Department received 3 responses to the RFQ. The engineering firm of Heery International, PC was selected and a scope of services has been negotiated.

### **Recommendation**

The Department of Water Management recommends that the City Council:

1. Authorize the City Manager to execute a contract with Heery International, PC for Professional Engineering Services in an amount not to exceed \$2,360,000.00 for the Department of Water Management Mist Lake Facility Program Management Augmentation Services; and
2. Establish a contingency fund for the contract in the amount not to exceed \$250,000.00; and
3. Authorize the City Manager to negotiate change orders for the contract provided that the cost of all change orders does not exceed \$250,000.00, and the total project cost of \$2,610,000.00.

### **Background**

The Department of Water Management (DWM) operates several of its divisions at 1600 Mist Lake Drive (North Campus). This 20-acre facility houses approximately 82 staff of the Administration, Plant Engineering & Maintenance, Regulatory Compliance, and Utility Engineering divisions of the Department, along with associated vehicles, equipment, and inventory. Currently, 145 DWM Water & Sewer Maintenance (WSM) employees are co-housed at a second location on Martin Luther King, Jr. Drive, the Public Works Operations Center (PWOC) along with Public Works staff. The WSM workgroups at PWOC are responsible for Outfall Maintenance, Rehabilitation Maintenance, Meter Reading, Meter Maintenance, Service Installations, and Mainline Installations, along with the necessary vehicles, light and heavy equipment, and inventory to maintain and operate approximately

2,600 miles (combined) of water and sewer mains, 8,148 hydrants, 25,896 water valves, and more than 83,000 water meters.

The project will expand the DWM Mist Lake facility to accommodate potential growth over the next 20 years and the relocation of the WSM Division from the PWOC facility to the Mist Lake complex. A master plan was completed in March 2014. The anticipated construction cost for the new expanded DWM Mist Lake facility is approximately \$42 million. Architectural design, site permitting and CMAR costs are projected to be an additional \$7 million. Design and construction activities are scheduled to extend over a four year period. The Mist Lake Expansion master plan was presented to City Council at the October 22, 2015 work session.

The project also addresses the construction of a new up-to-date laboratory/industrial waste control building at the South Durham Water Reclamation Facility. The anticipated construction cost for the new laboratory facility is approximately \$5.5 million. Architectural design, site permitting and CMAR costs are projected to be an additional \$1.25 million. Design and construction activities are scheduled to extend over a two and a half year period.

DWM in consultation with GSD discussed project management requirements for completing the project under the Construction Management at Risk (CMAR) delivery method. DWM and GSD have limited ability and personnel to handle this type of project delivery method. Both departments recommend the best approach to handle this complex and extended workload project is to utilize a consultant experienced in CMAR and program management. DWM and GSD personnel will assist and provide over-site on the projects.

An RFQ was solicited in September 2015 with Statement of Qualifications (SOQ) received in October. The selection committee reviewed all SOQ's and recommended Heery International, Inc. to be the program manager.

### **Issues and Analysis**

Three firms responded to the RFQ:

- Gilbane
- Heery International, PC
- MBP

The selection committee was comprised of staff from the DWM, GSD, and Equal Opportunity/Equity Assurance. Based on their proposal and experience the committee selected the firm of Heery International, PC for the project.

The Program Management firm (PM) will be an integral part of the project team, working along-side department personnel. PM duties will include but not limited to :

- Pre-Design Services,
- Architectural and CMAR selection and fee negotiations,
- Design coordination and monitoring,
- CMAR sub-contractor bidding, selection and awards,
- Construction administration assistance,
- LEED silver certification
- Post-construction system commissioning
- Move-in coordination.

The following tables outline the maximum not-to-exceed contract costs and expected duration of the phased activities. Negotiation of the fees and services were conducted by DWM staff

with guidance and assistance from GSD personnel.

Mist Lake Facility Expansion

Program Management Services	Duration (months)	Hours	Average FTE's per month	Cost
PM Services				
Pre-construction	15	2,423	0.8	\$275,000
Construction	25	7,670	1.7	\$860,000
Post-construction	6	848	0.8	\$95,000
<b>Total (Labor &amp; Expenses)</b>	<b>46</b>	<b>10,941</b>		<b>\$1,230,000</b>

South Durham Water Reclamation Facility Laboratory Building

Program Management Services	Duration (months)	Hours	Average FTE's per month	Cost
PM Services				
Pre-construction	15	1,047	0.4	\$115,000
Construction	14	2,772	1.1	\$300,000
Post-construction	6	764	0.7	\$85,000
<b>Total (Labor &amp; Expenses)</b>	<b>35</b>	<b>4,583</b>		<b>\$500,000</b>

Additional support Service Estimates for Commissioning, LEED Consulting and New Equipment Planning and Logistics.

Service Description	Hours	Cost	Estimated Expenses	Cost
New Equipment Planning & Logistics	1,059	\$126,300	\$2,500	\$129,000
Commissioning	1,244	\$161,720	\$13,700	\$175,000
LEED consulting	1,025	\$133,250	\$19,900	\$153,000
Expenses (Program Management) <sup>1</sup>				\$85,000
Move Management		699	As Required	\$88,000
<b>Total (labor and expenses)</b>				<b>\$630,000</b>
<b>Total Contract</b>				<b>\$2,360,000</b>

Notes:

1. Estimated program management expenses include MICS client license, travel, mileage, parking, phone, postage and printing.
2. Items to be provided by the City:
  - a. Office space
  - b. Access to copier

**Alternatives**

One alternate is to not pursue the project and continue to operate the Department of Water Management's division at two separate locations. This alternative does not provide the efficiencies gained by consolidating Water Management staff. Additionally, it would prevent or postpone the combination of Public Works Divisions at the PWOC facility.

A second alternate is to utilize current DWM engineering or GSD staff. Current workload and staffing levels of both departments are limited in personnel availability to adequately manage this complex project in a timely manner. Both departments recommend the use of a program manager consultant.

**Financial Impact**

Funding for the project was approved as part of the Capital Improvements Program under the Water Management Facilities Expansion project. Funds are available in the following accounts:

4100P002-731004-P212D	\$2,360,000.00
4100P002-731900-P212D	<u>\$ 250,000.00</u>
<b>Total</b>	<b>\$2,610,000.00</b>

**SDBE Summary**

The Equal Opportunity/Equity Assurance Department reviewed the proposal submitted by Heery International, Inc. of Raleigh, North Carolina and have determined that they are in compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting.

**SDBE REQUIREMENTS**

No MSDBE or WSDBE goals were set.

**WORKFORCE STATISTICS**

Workforce statistics for Heery International, Inc. are as follows:

Total Workforce	12	
Total Females	9	(75%)
Total Males	3	(25%)
Black Males	0	(0%)
White Males	3	(25%)
Other Males	0	(0%)
Black Females	2	(17%)
White Females	7	(58%)
Other Females	0	(0%)

Attachments: Heery International, PC Proposal