



**Business of the City Council  
City of Vader, WA**



**Subject:**

Resolution 06-2015: 2<sup>nd</sup> Amendment to the Gibbs & Olson Contract to include additional services for the Private Side Sewer Project

**Proposed Council Action:**

Authorize Mayor to execute Contract Amendment

**Dept. Origin:**

City Administration

**Prepared by:**

Clerk & Engineer

**For Agenda of:**

Feb. 26th, 2015

**Exhibits:**

Res. 06-2015 & G&O Contract Amendment #2

**INFORMATION / BACKGROUND**

The City signed a contract on September 2<sup>nd</sup>, 2013 with the Washington State Department of Commerce (DOC) for a Community Development Block Grant (CDBG) in the amount of \$716,787.00 to to reduce the inflow and infiltration (I&I) of storm water into the city's sewer system.

Council and the Dept. of Commerce approved a Grant Contract Amendment that included replacing private land owner's side sewers. Included in the funding portion of this amendment was funding to pay for the additional services required by the engineering firm, Gibbs & Olson, in the amount of \$24,000. The Gibbs & Olson, Inc. contract with the City was amended on January 22<sup>nd</sup>, 2015.

As the Private Side Sewer phase of the project proceeded, there were unforeseen additional time and services required of the engineers which will cause them to, again exceed their amended contract amount. The following reasons are given to explain the unforeseen expenses:

1. More work than budgeted and anticipated was required with reviewing, approving and assisting applicants in order to get their applications properly completed and to address special circumstances.
2. Much more work than budgeted and anticipated was required to address changes in CDBG requirements that occurred during the project including: having to prepare individual and separate Washington State Department of Archaeology and Historic Preservation (DAHP) evaluation and release forms and individual and separate environmental reviews for each residence participating in the project. This included having to identify the source of heating for each residence to identify if any of the homes had buried fuel oil tanks that could potentially be contaminating subsurface soils and groundwater.
3. Significantly more construction assistance was required to field investigate the City's sewer system due to the number of items discovered in the field that were different than past Record Drawings or design drawings indicated. Examples include but are not limited to:

- A. Broken and plated over manholes that required repair to eliminate sources of I/I and make them safe and secure structures;
- B. The discovery that sanitary sewer piping was actually connected to active storm drain pipelines and the need to determine how to disconnect these points of connection and make connections to the sewer system;
- C. The discovery that approximately 6 residential downspouts were connected to the sanitary sewer system and the need to determine how to disconnect these from the sanitary sewer system and make connections to the storm system;
- D. Significant effort to video and determine how the existing system worked because of significant differences from available records to field encountered conditions;
- E. The discovery and making City aware of an apparent illegal connection to the sewer system. (Location withheld for legal reasons).

4. Contractor, Tellus, Inc., took much longer than anticipated to perform Phase I of the private side sewer replacements due to items identified above and being a relatively inexperienced contractor. This required more project inspection and oversight to be performed by Gibbs & Olson staff to verify and document the quality of work and specific modifications made to the system so a more accurate Record Drawing could be produced for the City.

**FISCAL CONSIDERATION**

There will not be any additional cost to the city. The grant funds will cover 100% of the costs involved. The amount requested in amendment #2 is \$36,271.00.

**RECOMMENDATION / MOTION**

Recommendation: Approve Resolution 06-2015 to authorize the Mayor to sign the amendment to the Gibbs & Olson, Inc. Contract Agreement.

**The City Council May:**

- 1. Approve the resolution and direct the Mayor to execute the contract Amendment.**

MOTION: I move to approve Resolution 06-2015 a resolution of the City Council of the City of Vader, Washington authorizing the Mayor to execute Amendment #2 to the Engineering Contract Agreement with Gibbs & Olson, Inc. in substantially the form presented.

- 2. Approve the resolution and direct the Mayor to execute the contract amendment with stated changes.**

MOTION: I move to approve Resolution 06-2015 a resolution of the City Council of the City of Vader, Washington authorizing the Mayor to execute Amendment #2 to the Engineering Contract Agreement with Gibbs & Olson, Inc. in substantially the form presented except with the following changes: .....(list changes).

- 3. Not approve the resolution and give further direction to staff.**

# DRAFT

## RESOLUTION NO. 06-2015

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VADER, WASHINGTON, AUTHORIZING THE MAYOR TO EXECUTE AN AMENDMENT TO THE GIBBS OLSON, INC. CONTRACT FOR ENGINEERING SERVICES TO INCLUDE ADDITIONAL AND UNANTICIPATED DESIGN AND CONSTRUCTION PHASE ENGINEERING SERVICES FOR THE CDBG FUNDED INFLOW & INFILTRATION REMOVAL PROJCT.**

WHEREAS, the City signed a contract on February 7, 2014 with Gibbs & Olson, Inc. for engineering services to be performed for a project know as the I/I Removal Project Phase I, in the amount of \$168,000.00 which is funded by the Department of Commerce, Community Development Block Grant Program; and

WHEREAS, the City signed a contract amendment on January 22<sup>nd</sup>, 2015 in the amount of \$24,000 due to anticipate costs of adding the Project 2 – Private Side Sewer Repairs and Replacements; and

WHEREAS, the City Council finds that the first engineering contract amendment was not enough to cover additional unanticipated costs of the Private Side Sewer Repairs and Replacements Project; and

WHEREAS, the CDBG I/I Removal Project Engineering Contract Amendment #2 is requested in the amount of Thirty-six thousand, two hundred seventy-one dollars (\$36,271) and said amount is available in the Grant funds; and

WHEREAS, the City Council finds it is in the public interest to authorize the Mayor to execute the proposed contract amendment to the Gibbs & Olson, Inc. Contract Agreement.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF VADER,  
WASHINGTON, DOES HEREBY RESOLVE AS FOLLOWS:**

Section 1. The Mayor is hereby authorized to execute the Contract Amendment Number Two (CA #2) to the Agreement for Engineering Services between the City of Vader and the engineering firm know as Gibbs & Olson, Inc. of Longview, Washington executed on February 26<sup>th</sup>, 2015, for a project known as the I/I Removal Project Phase I in substantially the form attached to this Resolution as Exhibit "1".

RESOLVED this 8th day of January, 2015.

APPROVED:

\_\_\_\_\_  
Kenneth Smith, Mayor

ATTEST/AUTHENTICATED:

\_\_\_\_\_  
Jill Nielson, City Clerk

PASSED BY THE CITY COUNCIL: \_\_\_\_\_

# **EXHIBIT “1”**

**AMENDMENT NUMBER “2” TO:**

**Agreement for Engineering Services between the  
City of Vader, Washington  
and  
Gibbs & Olson, Incorporated**

**Originally executed on February 7, 2014  
and Amended on January 22<sup>nd</sup>, 2015  
for  
CDBG Funded  
I/I Reduction Project Phase I**



## Memorandum

**To:** Mayor Ken Smith and City Council  
**From:** Michael Marshall, PE  
**Date:** February 23, 2015  
**Re:** Engineering Contract Amendment No. 2

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Please find enclosed Amendment No. 2 to our engineering contract for the I/I removal project. This amendment is required to increase our budget for the following reasons;

1. More work than budgeted and anticipated was required with reviewing, approving, and assisting applicants in order to get their applications properly completed and to address special circumstances.
2. Much more work than budgeted and anticipated was required to address changes in CDBG requirements that occurred during the project including: having to prepare individual and separate Washington State Department of Archaeology and Historic Preservation (DAHP) evaluation and release forms and individual and separate environmental reviews for each residence participating in the project. This included having to identify the source of heating for each residence to identify if any of the homes had buried fuel oil tanks that could potentially be contaminating subsurface soils and groundwater.
3. Significantly more construction assistance was required to field investigate the City's sewer system due to the number of items discovered in the field that were different than past Record Drawings or design drawings indicated. Examples include, but are not limited to:
  - A. Broken and plated over manholes that required repair to eliminate sources of I/I and make them safe and secure structures;
  - B. The discovery that sanitary sewer piping was actually connected to active storm drain pipelines and the need to determine how to disconnect these points of connection and make connections to the sewer system;
  - C. The discovery that approximately 6 storm drain downspouts were connected to the sanitary sewer system and the need to determine how to disconnect these from the sanitary sewer and make connections to the storm system;
  - D. Significant effort to video and determine how the existing system worked because of significant differences from available records to field encountered conditions;

- E. The discovery and making City aware of an apparent illegal connection to the sewer system.
- 4. Tellus took much longer than anticipated to perform Phase I due to items identified above and being a relatively inexperienced contractor. This required more project inspection and oversight to be performed by Gibbs & Olson staff to verify and document the quality of work and specific modifications made to the system so a more accurate Record Drawing could be produced for the City.

The amendment is for \$36,271 and there are CDBG grant funds available for this budget increase.

AMENDMENT NO. 2

This Amendment No. 2 modifies the Agreement for Engineering Services (Agreement) between Gibbs & Olson, Inc., Longview, Washington (Engineer) and the City of Vader, Washington (Client) executed on February 7, 2014, for a Project known as the I/I Removal Project Phase I.

The following modifications are made to the Agreement. All other terms and conditions of the Agreement remain unchanged.

**BUDGET**

The budget for this Agreement is increased by \$36,271.00 as detailed in the attached Exhibit A.

Original Agreement Amount .....	\$168,000.00
Amendment No. 1.....	\$ 24,000.00
<u>Amendment No. 2.....</u>	<u>\$ 36,271.00</u>
Total Agreement Amount .....	\$228,271.00

CITY OF VADER

GIBBS & OLSON, INC.

By: \_\_\_\_\_  
Ken Smith, Mayor

By: Richard A. Gushman  
Richard A. Gushman, President

Date: \_\_\_\_\_

Date: February 23, 2015

Attachment: Exhibit A - Budget  
Copy: File 0825.0501.



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**CITY OF VADER**

**GIBBS & OLSON, INC.**

By: \_\_\_\_\_  
Ken Smith, Mayor

By: Richard A. Gushman  
Richard A. Gushman, President

Date: \_\_\_\_\_

Date: February 23, 2015

**Amendment No. 2**

Exhibit A - Budget Estimate

Gibbs & Olson, Inc.

City Of Vader - Side Sewer Project  
February 23, 2015

Project Tasks	Senior Engineer	Engr I	RPR II	Admin Assist	Expenses			Total Direct & Indirect Costs	Total Expenses	Total Cost
					Travel	Repro	Tel			
	\$155	\$75	\$77	\$59						
Revise policies and procedures	1			8			\$627	\$0	\$627	
Revise public outreach program	1			4			\$391	\$0	\$391	
Revise LMI funding application forms	3			8			\$937	\$0	\$937	
Prepare for and hold 2 public funding workshops	12			16	\$200		\$2,804	\$200	\$3,004	
Review and approve funding applications (assumes 15)	4			20			\$1,800	\$0	\$1,800	
Prepare detailed drawings for individual ss replacement	4	24					\$2,420	\$0	\$2,420	
Additional environmental	2			20			\$1,490	\$0	\$1,490	
Revise specs and contract documents	8			2			\$1,358	\$0	\$1,358	
Bid/Ad/Award	16			4	\$150	\$100	\$2,716	\$250	\$2,966	
Construction Management	50		120	4	\$750	\$125	\$17,226	\$875	\$18,101	
Total of Direct, Indirect, Expense & Subconsultant Costs							\$31,769	\$1,325	\$33,094	
Fixed Fee on Direct and Indirect Costs @10%							\$0		\$3,177	
<b>Total Amendment Amount</b>										<b>\$36,271</b>
<b>Total Agreement Amount</b>										<b>\$228,271</b>