

# Council Agenda Summary

May 17, 2022

## **Agenda Item Number**

Key Staff Contact: Paul Trombino, Public Works Direct, 652-3801

### Title

Consideration of a change order to the contract with Icon Engineering, Inc. (Icon) for design services for 12<sup>th</sup> Street Storm Drain Outfall Phase 1B (Project), increasing the contract from \$565,360 to \$865,060.00 (an increase of approximately 53%).

### Summary

Change Order #2 with Icon involves additional work performed during the design phase of the Project. Icon has a 2021 contract with the City of Greeley (City), executed in January 2021, for engineering design to complete this Project. Change Order #2 for \$299,700.00 will increase the contract total from \$565,360.00 to \$865,060.00. The Project Professional Services account has sufficient available budget to fund Change Order #2.

The Storm Drain Project is the most critical recommended improvement from the North Greeley and Downtown Storm Drainage Master Plan, adopted in 2017. The Stormwater Division (Stormwater) programmed this project for design in 2020-21 and construction in 2022. Design is ongoing, with construction planned in fall 2022.

Increased design fees stem from four primary changes in scope:

1. **Enhanced Water Quality Design.** This Project will install a Water Quality pond to remove sediment, salt, trash, nutrients, hydrocarbons, viruses/bacteria, and other waste from the stormwater before discharging into the Cache la Poudre River. The original contract proposed to design a water quality facility in line with industry standards that would only target sediment and trash. The City received additional information during design as a result of communication with Colorado Department Public Health and Environment (CDPHE), a Municipal Separate Storm Sewer System (MS4) federal audit by the Environmental Protection Agency (EPA), and observations of the storm system function following a proximal structure fire. Proposed updated design accounts for the likely future regulation for removal of E. Coli in Storm Drainage Outfalls. The Cache la Poudre is considered an "impaired" water due to E. Coli contamination, and the State of Colorado is currently working on a Total Daily Maximum Load (TMDL) requirement that will require the City to actively reduce E.coli loads in stormwater discharged to the Cache la Poudre. Staff is recommending design and installation of E. Coli control measures within the water quality feature to avoid potential future retrofit costs to upgrade the pond when new regulations are passed.
2. **River Restoration Design.** The original project scope included design and hydraulic modeling associated with removing sediment deposition in the Cache la Poudre River at the outfall location. Further analysis indicated the river topography is hydraulically inadequate, and simple removal of sediment will result in recurring

sediment deposition and enduring future maintenance and mitigation. Enhanced river restoration design is proposed at \$73,000, with an annualized decrease in maintenance burden of \$50,000. As such, the payback period is less than two years to implement this Project improvement.

3. **Project Delivery Method (CMAR Support).** To address increasing complexities with the project, the design team recommended hiring a Construction Manager at Risk (CMAR). The CMAR would provide for project sequencing and constructability evaluation, to minimize access and service impacts during construction. The new approach will require additional review and coordination meetings with the design team that were not anticipated with the original scope. This will ultimately decrease the risk to the City and is anticipated to decrease construction costs and reduce construction schedule.
4. **Phase 1A and 1B Combination.** Phase 1 is currently designed by two separate consultant contracts – Phase 1A (Kimley-Horn - utility relocations) and Phase 1B (ICON – storm drainage). Both Phase 1A and 1B require CMAR Support during final design development. However, the remaining Phase 1A Professional Services budget was transferred to Phase 1B in early 2021. Staff recommends funding Phase 1A CMAR Support through the Phase 1B contract amendment as Change Order #2. This simplifies the process transactionally by removing the requirement of a Budget Transfer and subsequent Phase 1A Change Order while clarifying communication pathways in CMAR Support.

This Change Order represents overall reduction in budgetary risk and long-term savings over required future retrofitted infrastructure and maintenance costs.

Additional scope items 1 and 2 represent Final Design enhancements to established design documents performed under the original service contract. The Project anticipates a 90% Design Submittal by July 2022 to support a September 2022 Construction Notice to Proceed. Public Works does not recommend releasing a Request for Proposals for this added scope in lieu of a Change Order. An RFP process would result in substantive delays to design completion and would not result in cost savings to the City, as ICON Engineering provides efficiency to providing the additional design services as a result of advanced familiarity with the project. An outside consultant would result in additional coordination challenges and inefficiencies in incorporating design elements into existing design documents and delay the project.

Scope item 3 represents coordination items between the contracted Design Consultant and the CMAR Contractor. This scope by definition can only be performed by the firm that has prepared design documents. Therefore, this additional scope is appropriate for a Change Order.

#### Fiscal Impact

Does this item create a fiscal impact on the City of Greeley?	Yes
If yes, what is the initial or onetime impact?	\$299,700
What is the annual impact?	Annual maintenance of system

What fund of the City will provide funding?	432 – Storm Drain New Construction (12 <sup>th</sup> Street Phase 1B)
What is the source of revenue within the fund?	432 – Stormwater Capital Fund (Stormwater Fees) HUTF – Highway Users Tax Fund
Is there grant funding for this item?	No
If yes, does this grant require a match?	
Is this grant onetime or ongoing?	
Additional Comments: There is sufficient budget in the Professional Services account for this project to fully fund this Change Order	

#### Legal Issues

Greeley Municipal Code 4.20.160 requires that change orders over 25% of the contract amount be referred to City Council for approval.

#### Other Issues and Considerations

None

#### Applicable Council Goal or Objective

Community Vitality  
Quality of Life Amenities  
Infrastructure and Mobility

#### Decision Options

1. Approve change order as recommended,
2. Amend change order and approve as amended,
3. Deny change order, or
4. Continue item to a date specific.

#### Council's Recommended Action

A motion to approve the Change Order #2.

#### Attachments

Icon Engineers, Inc. Original Service Contract  
Icon Engineers, Inc. Additional Service Contract