



City of Ketchum

March 16, 2020

Mayor Bradshaw and City Councilors
City of Ketchum
Ketchum, Idaho

Mayor Bradshaw and City Councilors:

Staff is recommending the council accept a proposal to perform preliminary engineering services to provide backup power for Northwood Well.

I move to accept Contract # 20456, a proposal from DC Engineering to provide a preliminary engineering report to evaluate backup power for the Northwood well. This service will be on a time and materials basis not to exceed \$9,500.00

The reasons for the recommendation are as follows:

- The Northwood well is our primary well and has no backup power
- Loss of power could impact firefighting capabilities
- With the loss of Northwood, irrigation will be curtailed, or sections of town may have to be isolated in a power outage.

The Northwood Well is our primary well. In the event of a power outage during irrigation season when we are at our peak demands, the loss of this well could affect fire fighting capabilities. Other wells in our system have backup power but could not fill demand during peak usage.

Analysis

Backup power for Northwood is identified in our Facilities Master Plan as the highest priority behind the elimination of the KSW system. This engineering report is an important step in meeting this need.

Sustainability

The 2020 Ketchum Sustainability Plan identifies a Priority 2 action to evaluate options for reliable, resilient back-up power at the Northwood pumping station. The recommended action will further this action by conducting an analysis and identifying options. Options will be reviewed with the Ketchum Sustainability Advisory Committee.

Financial Impact

This preliminary engineering report is a planned and budgeted item. This report will be paid from the Water Division budget.

Attachments:

Preliminary Engineering Report form DC Engineering



Proposal Agreement to Perform Engineering Services for City of Ketchum

Proposal Date: February 28, 2020

Project Name: Northwood Well Standby Power Evaluation

Services Performed For:

City of Ketchum
P.O. Box 2315
110 River Ranch Road
Ketchum, ID 83340

Thank you for considering DC Engineering to serve you on the Northwood Well Standby Power Evaluation project. We very much appreciate the opportunity to work with you and your team on this project.

This proposal is effective as of 2/28/2020, and is entered into by and between DC Engineering and Client (City of Ketchum), and is subject to the terms and conditions specified below.

Project Description

The Client's primary water well (Northwood Well) presently does not have a standby power source if normal utility power supply fails, which can hamper water flows and fire-fighting operations during summer months without manually curtailing irrigation or isolate some sections of town. The Client does have standby generators at most of their other existing water pump stations.

The load at the Northwood Well Pumphouse consists of a 150HP pump controlled via VFD and other miscellaneous pumphouse loads (i.e. lights, receptacles, heat, etc.). Idaho Power has indicated that the measured peak electrical demand at their meter (meter #46013506) was 124-kW and set in the June 24, 2019, billing month.

Scope of Basic Services

This project is to develop a **preliminary engineering report (PER)** that describes the need for the project, evaluations conducted, recommended alternative, and proposed course of action.

The PER outline will generally be as follows:

- Description of existing facilities
- Description of the problem being addressed
- Identification of alternatives for technically feasible alternatives to address the problem
- Summary and comparison of alternatives
- Recommended alternative and basis of selection
- Cost estimate (opinion of probable cost) and project schedule of recommended alternative.

Assumptions

We have made the following assumptions while preparing this scope of services and fee estimate:

- As-build drawings of the Northwood Well facilities will be readily available from the Client to help understand electrical requirements and general physical space requirements.
- Client stakeholders will participate in a 1 to 2-hour workshop via conference call with DC Engineering to:
 - Identify any local considerations or policies (i.e. political, economic, social, technological, future facility plans, etc.) that factor into the problem being addressed.
 - Help establish an alternative selection criteria framework that may include both economic and non-economic factors (i.e. operational risks, reliability, life-cycle costs, regulations/codes, etc.) and will be used in the PER as a basis to develop and evaluate alternatives.
- Client assigned stakeholders will remain consistent throughout the project to maintain consistency and continuity, and will provide PER reviews in a timely manner to maintain project schedule.
- Given the conceptual level of the alternative evaluation, the cost opinion includes contingencies and markups for each evaluation. Costs may be supplemented with vendor quotes and similar cost estimating information, and will incorporate capital and annual operation and maintenance costs where appropriate.
- Project site visits and attending meetings in the City of Ketchum are not anticipated.

Design Schedule

The PER could be completed within approximately 6 weeks to 12 weeks. This assumes the above-listed coordination items can be completed approximately 3 weeks prior to the final submittal date. Schedules set outside this range could impact total fees and will be addressed as needed. Our availability to start work on this project could be as early as the week we receive written notice to proceed.

Deliverables

It is anticipated DC Engineering will provide one draft PER for Client review and comment, and will subsequently address and/or incorporate review comments prior to issuing a final PER.

Liability

In recognition to the relative risks and benefits of the project to both City of Ketchum and DC Engineering, we propose to limit our liability (as a business entity or individuals) to the value of the consulting fee received by DC Engineering. DC Engineering shall be responsible to maintain such errors and omissions insurance. DC Engineering shall be responsible to a level of competency for professional engineering services presently maintained by other practicing professional Consultants performing similar work in the state where the project is located.

DC Engineering is offering the above-mentioned professional engineering services to the client for the project specified and its obligations to the client and to the project shall be limited to the engineering disciplines listed without any other responsibilities or obligations. While making efforts to work within client communicated budget guidelines, DC Engineering is not a fiduciary, financial analyst, economist, estimator, or contractor and as such shall not be responsible for project budgets and pricing, or for project funding and financial performance.

The capital costs for this PER are defined as order-of-magnitude level (Class 4) estimate as defined in the AACE International Recommended Practice No. 18R-97, *Cost Estimate Classification System As Applied in Engineering, Procurement, and Construction for the Process Industries*. The level of project definition range is 1% to 15%, and the expected accuracy range is typically within +40% to -20% of actual

construction cost. The final cost of the project will depend on actual labor and materials costs, actual site conditions, productivity, competitive market conditions, bid dates, seasonal fluctuations, final project scope and/or schedule, and other variables. As a result, the final project costs will vary from the estimates presented in this PER.

Usage of Documents

The documents prepared by DC Engineering shall remain the property of DC Engineering and shall not be used in whole or part for any other project without written consent of DC Engineering.

Compensation

We propose to provide these services for this project on a time and expense basis, **not to exceed (NTE) \$9,500**. Billing will be only for actual effort expended on project. Effort will not exceed the NTE amount without prior agreement with City of Ketchum.

Reimbursable costs, if any, will be billed separately, in addition to the fees listed above. Reimbursable costs may include (but not be limited to) lodging, meals, airfare, car rental, fuel, reproduction costs, etc. and will include a 10% mark up to allow for administration work associated with the expense.

Additional Services

Additional services will include, but are not limited to, the follow situations:

- Changes to the scope of basic services or differing conditions from the noted assumptions.
- Making major revisions to documents when such revisions constitute a departure from the identified problem or the alternative selection criteria framework.
- Serving as a Consultant and/or preparing to serve or serving as an expert witness in connection with any arbitration proceeding or legal proceeding for this project.
- Providing any other services not otherwise included in the agreement or not customarily furnished in accordance with generally accepted engineering practices.

Should additional services be required, they will be billed at DC Engineering’s current standard rate of compensation for time and materials **at the time of the request** for additional services. Current billing rates as of the date of this proposal are as follows:

Item Description	Per Hour
Principal Engineer, PE	\$130 - \$180
Professional Engineer, PE	\$115-150
Engineer	\$85-115
Engineer EIT	\$85
Project Manager	\$90-130
Programmer/System Integrator	\$95 - 135
Commissioning Agent	\$95-135

Item Description	Per Hour
Designer	\$75-95
Modeling	\$85-95
Drafting	\$60-75
Intern	\$45
Administration	\$45-85

Reimbursable expenses, if any, will be billed at cost plus 10 percent.

Payment

Standard payment terms are 45 days after invoice date. Where DC Engineering has agreed to extend terms and receive payment from Client upon Client's receipt of payment from the Owner, DC Engineering will be paid within 10 days of date Client receives payment from Owner, subject to maximum terms of Net 120 days. Non-payment by Owner does not relieve Client of responsibility of payment in whole to DC engineering for work performed under this contract.

Invoices will be sent to the Client monthly, based upon project milestones and must be paid prior to additional effort/hours being invested into the project. Any invoice not paid within terms is subject to interest at the rate of (12) percent per annum compounded monthly. Non-payment by the Client may constitute a breach of contract, and all work can be stopped on the project. Any unbilled time already accrued to the project will be invoiced and all outstanding amounts must be paid before resumption of work on the project.

Payments can be made electronically (preferred) or by check.


We have a preference for ACH:
 First Interstate Bank
 Routing: 092901683
 Account: 352721
 With payment advice to:
 invoices@dcengineering.net

Checks made payable to:
 DC Engineering, Inc
 440 E Corporate Dr #103
 Meridian, ID 83642
 Invoices@dcengineering.net
 82-0507522 (S-Corp)

This proposal is valid for a period of thirty days from date of issue. If you have any questions, or require additional information, please do not hesitate to ask.

Thank you again for your consideration, we are pleased to serve you on this project.

Sincerely,



John Barrutia, P.E.
 DC Engineering, Inc