



Request for City Council Committee Action From the Department of Public Works

Date: June 8, 2004

To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee
Referral to: Honorable Barbara Johnson, Chair Ways & Means Committee

Subject: Reallocation of Water Revenue Funds

Recommendation:

Reallocation of \$228,372.44 of the remaining appropriation funds in Roof Repair Project (Water 7400/950/9505/M7161070) to the Fridley Reservoir Rehabilitation Project (7400/950/9515/D5298040) to pay for the expenses encountered during construction.

Previous Directives:

- On October 27, 2000, the City Council authorized the development of the original professional services agreement with SEH, Inc. to design and supervise the construction of this project, for a fee of \$300,000.00.
- On June 22, 2001, the City Council accepted Shank Construction, Inc. bid for this project (O.P #5639) for a total sum of \$2,794,800.00, and authorized the development of the original agreement for the construction project.
- On December 30, 2002, the City Council authorized an amendment to the contract with Shank Construction, Inc., increasing the contract price by \$178,417.00 and extending the project time period until completion.
- On December 15, 2003, the City Council authorized an amendment (No.1) to the contract No. C-16076 with SEH, Inc. by \$158,538.00 for the scope of design and length of construction phase services.

Prepared by: Shahin Rezania, Engineering Services, 4910

Approved by:

Klara A. Fabry, P.E., City Engineer, Director of Public Works

Presenters: Adam J. Kramer, P.E., Asst. Director of Public Works, Director of Water Services

Financial Impact (Check those that apply)

No financial impact - or - Action is within current department budget.
(If checked, go directly to Background/Supporting Information)

Action requires an appropriation increase to the Capital Budget

Action requires an appropriation increase to the Operating Budget

Action provides increased revenue for appropriation increase

Action requires use of contingency or reserves

Other financial impact (Explain):

Request provided to the Budget Office when provided to the Committee Coordinator

Background/Supporting Information:

The Building Roof Repair Project has been completed and the remaining funds of \$228,372.44 should be reallocated to the Fridley Reservoir Rehabilitation Project to cover any anticipated additional expenses for the Contractor and the Consultant.

The Fridley Reservoir Rehabilitation Project started in 1998 and has been a complex project. The scope of this project included: repair of the interior of the two reservoirs (16 million gallon each), installation of baffle walls in each reservoir, water proofing the roof and making the connection between the alternate supply line between the reservoirs and Pump Station No.5.

Because work on this project needed to be done while normal water treatment operations continued the original 1997 project schedule had to be altered as work progressed. During the reservoir project filters had to be repaired so work on the project was delayed. Additionally, the dry Fall of 2002 required keeping the reservoir in service to provide water demand. The results of these conditions caused the project to take longer than was anticipated in the original project schedule.

The City Council authorized an amendment to the contract with SEH, Inc. on December 15, 2003. The letter for the contract amendment was in error as it indicated there was no financial impact. There are no funds to pay for this amendment unless this appropriation reallocation is approved.