CITY OF DUNWOODY
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MEMORANDUM

To: Honorable Mayor and City Council

From: Warren Hutmacher, City Manager

Date: August 6, 2009

Subject: **Contract Amendment – Lowe Engineers (Public Works)**

Attached to this memorandum is a proposal from Lowe Engineers to manage the storm water program. Total cost for FY 2009 would not exceed $125,000 and fees would be billed on an hourly basis for professional services. They are proposing a fee of $250,000 for FY 2010 and $250,000 for FY 2011. Lowe Engineers will be responsible for managing the remaining funds the City has under its control for storm water programs. These funds would belong to the City and be spent solely on storm water expenses.

Attached to this memorandum you will find a proposal from Lowe Engineers to modify their contract with the City of Dunwoody for Public Works services.

At the July 20th work session, Council expressed concerns regarding this item that included the following:

1. Cost of the contract amendment
2. Number of personnel assigned for this function and their role in the project
3. Need or desire to bid this out publicly

After further review, the cost is consistent with the professional service fees already being charged to the City by Lowe Engineers to cover their other functions. Additionally, the City has been provided a cost not to exceed price for this service at hourly rates that are identical to the rates used to formulate the Public Works bid submitted by Lowe Engineers last year.

Lowe has expanded their explanation of the manpower issue in the attached memorandum.

I have researched the contract the City has with Lowe Engineers and I am of the opinion that storm water services is already included in their scope, but at a lower level of effort than what is now required. This presents the Council with two options: (1) Bid the service out publicly or, (2) Negotiate a contract amendment with Lowe Engineers for the increased effort now required.

At the time the contract with Lowe was drafted, the storm water utility had not been created. Without a storm water utility or adequate financing for storm water related issues, the need for personnel is considerably lower then it will be with adequate financing. In short, Lowe Engineers bid the job with the assumption that there would be minimal effort required for the maintenance, repair and build out of the storm water utility without considerable financing for this activity. I believe their fee in their bid price represented the effort

needed to operate without a utility. Therefore, the amendment is necessary and appropriate if the Council wishes to move forward with an amendment.

In short, my recommendation is to move forward with the contract amendment as negotiated between the City and Lowe Engineers (attached). In the final analysis, there is strong evidence that this amendment is not new work that needs to be bid out, but instead is a increase in effort for a function already provided for in the contract. If we desire more work to be done on storm water, then we should expect to pay more for that increased level of service.

I recommend the Council take the following action at the August 10th Council meeting:

Motion to approve a modification to the City of Dunwoody's contract with Lowe Engineers to add a fee of $125,000 for FY 2009 and $250,000 for FY 2010 for professional services to manage all aspects of the City's storm water utility.

I have attached my backup memorandum from the July 20th work session and the revised Lowe Engineering proposal as background information.

LOWE
ENGINEERS

50 YEARS OF SERVICE

August 5, 2009

Warren Hutmacher
City Manager
City of Dunwoody
P.O. Box 888074
Dunwoody, GA 30356

RE: Contract Modification for Stormwater Utility Management
Public Works - Dunwoody, Georgia

Dear Mr. Hutmacher:

As requested, it is our pleasure to submit this proposed modification to our current contract to provide additional services in Public Works. Following is a scope of work and invoicing/payment proposed terms.

Summary Scope of Work: Our scope of work will address the management of the Stormwater Utility. It will address the staffing of the management section and the responsibilities. Our proposal is that the Stormwater Utility Management staff will work for the Public Works Director and will be a section within Public Works. However, due to the different funding source available with the Stormwater Utility, we will be careful to break out all labor and expenses for the Stormwater Utility Management.

Scope of Work: We will provide engineering management and direction of the Dunwoody Stormwater Utility to provide the following services:

- Management and Oversite of the maintenance of the drainage infrastructure, including routine clean-out and repair.
- Response to drainage complaints.
- Management, Design, and Oversite of the repair of new failures of drainage structures, including collapse of corroded metal pipes.
- NPDES/MS4 permit requirements, to include permit reporting and required activities.
- Management and quality control of any stormwater inventory activities. This will include preparation of an RFP for this work.
- Development of Capital Improvement Program (CIP) to address chronic drainage and flood problems that have been neglected due to inadequate funding.
- Capital projects for watershed protection and channel restoration.
- Annual reassessment of the stormwater utility fee structure.

Staffing: A Stormwater Utility Manager will be provided. He will report directly to Richard Meehan, our Public Works Director. We are proposing Mr. Chuck Davis, PE, as the Stormwater Utility Manager. This will be his primary duty, with approximately 70% of his time

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devoted to this function, with a limited role in the other Public Works functions under our basic contract. The Manager will be assisted as needed to perform the tasks outlined above, with additional support from Lowe engineers and technicians experienced in stormwater systems. Construction inspection will be needed at a rate of approximately 50% of a full time inspector. The number of inspectors will vary based on construction workload. In good weather with several projects underway several inspectors may be in the City. In times of inclement weather for construction or projects on temporary hold, the inspectors will return to other activities. NPDES/MS4 permit activities will take some of Chuck's time, but he will be supported by senior stormwater engineer who is doing this function at several other cities. Stormwater engineers and utility coordinators will be used when project scoping and design support are needed. Additionally we have planned some limited survey and technician time to support design activities.

Based on the size and goals of the Dunwoody Stormwater Utility Program we believe this staffing plan will be able to execute all the needed tasks and provide a high level of service to the public. The main support will be by the Manager and he will be able to call on other engineers/inspectors/technicians as needed from other projects and our home offices. As we have 3 project offices and our home office located within about 15 minutes of Dunwoody we can be very efficient and responsive. This staffing plan is adequate to support the budget as approved by City Council. The same fee concepts as used in our original proposal apply to this modification.

Invoicing/Payment Terms: We would like to propose the following invoicing/payment terms:

1. Stormwater Utility Management for 2009: For 2009, we propose invoicing on an hourly basis, with a not-to-exceed modification amount for calendar year 2009. The not-to-exceed amount will be $125,000. Invoices will be submitted just after the end of each month and we request payment by the 15th of the following month.
2. Stormwater Utility Management for 2010 and 2011: For 2010 and 2011, we propose invoicing on an hourly basis, with a not-to-exceed modification amount for calendar year 2009. The not-to-exceed annual amount will be $250,000. Invoices will be submitted just after the end of each month and we request payment by the 15th of the following month.
3. Reimbursable expenses will be invoiced with backup at a zero markup. We don't expect this to be substantial.

Schedule: We propose initiating work on or before August 15, 2009.

Stormwater Emergency Response: We will provide emergency response capability 24/7/365 for public works areas of responsibility. Details and on-call staff information will be provided to the City Manager.

We sincerely appreciate this opportunity to expand our support to the new City of Dunwoody in this important effort. Please contact me at 404-312-1843 or email at drysdale@loweengineers.com if you have any questions. Thanks.

Sincerely,
Lowe Engineers, LLC

Jon Drysdale, PE
Partner

Fee Schedule
For
City of Dunwoody Stormwater Utility

			Total Below		
			$	249,700.00	
	2010				
		2010			
STAFF CATEGORY	Hourly Rates	Hours		Fee	
Stormwater Manager	$125	1400	$	175,000.00	70%
Senior Stormwater Engineer	$130	60	$	7,800.00	
Stormwater Engineer	$85	40	$	3,400.00	
Utility Coordinator	$85	40	$	3,400.00	
Stormwater Construction Inspector	$70	700	$	49,000.00	50%
Senior Technician	$85	40	$	3,400.00	
Technician	$65		$	-	
Senior GIS Technician	$85	20	$	1,700.00	
GIS Technician	$65		$	-	
Registered Land Surveyor	$160		$	-	
Survey Supervisor	$100		$	-	
Field Supervisor	$75		$	-	
Survey Crew	$150	40	$	6,000.00	
Clerical	$50		$	-	
Reimbursable Expenses	Cost				
	Totals=	2340	$	249,700.00	

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MEMORANDUM

To: Honorable Mayor and City Council

From: Warren Hutmacher, City Manager

Date: July 20, 2009

Subject: **Contract Discussion – Lowe Engineers (Public Works)**

Earlier this year, the City of Dunwoody created and funded a Storm Water Utility. The Storm Water utility is funded by user fees to residential and commercial property owners. The total revenue expected to be generated from the Storm Water Utility is $1,187,918.

The approved FY 2009 Storm Water budget includes $153,333 in planned expenditures for the management and support of the Storm Water Utility. Lowe Engineers is proposing assigning Chuck Davis to serve as the Project Manager for Storm Water. He already serves on a part time basis as the Deputy Director of Public Works. He is a Professional Engineer (PE) and would do a good job for us in this new role.

Attached to this memorandum is a proposal from Lowe Engineers to manage the storm water program. Total cost for FY 2009 would not exceed $125,000 and fees would be billed on an hourly basis for professional services. They are proposing a fee of $250,000 for FY 2010 and $250,000 for FY 2011. Lowe Engineers will be responsible for managing the remaining funds the City has under its control for storm water programs. These funds would belong to the City and be spent solely on storm water expenses.

Over the next few weeks I will be working with Lowe Engineers to draft a contract amendment for your approval at the first meeting in August (August 10th). I recommend we move forward with this concept.