



Memorandum

To: Stephen Giesbrecht, Manager

From: Chris Cotta, Assistant Public Works Director

Re: City Creek Dam Rehab – Design Contract Recommendation

Date: 11-23-16

Cc: Karl Hagerman, Public Works Director
Jody Tow, Finance Director
Debra Thompson, Borough Clerk
File

As you know, the Water Department is putting together a rehabilitation project for the City Creek Dam. The department budgeted \$40,000 in the current fiscal year to accomplish preliminary engineering and environmental reporting required to seek a USDA Rural Development grant/loan to fund the work. Upon further discussion with USDA, the funding was more likely to be a low interest loan than a grant. After contemplating the prospect of spending \$40,000 just to be able to apply for a loan, the Department switched gears and decided to seek approval for self-funding the project with reserves instead.

With this in mind, the Department approached PND Engineers to obtain a quote to design the dam improvements. After PND's initial proposal came in at \$133,000, some negotiations took place and the amount was reduced to \$76,000. Since the current budget contains only \$40,000 for design, the Water Department made a supplemental budget request of \$45,000 in order to cover the extra plus some contingency funding. However, upon further negotiations with PND the proposed design contract amount has now been reduced to \$56,090. Part of the reduction was attained by transferring the project to PND's southeast office in Juneau, rather than their Seattle location. Other efficiencies were obtained by focusing PND on only the concrete spillway rehabilitation and removing some items such as structural steel and electrical work for items that are to be replaced essentially "in kind". For these items, the Borough should be able to source repairs through smaller, more efficient contracts with local vendors, rather than having a more complicated (and expensive) design and bid process.

We feel that PND's revised quote of \$56,090 meets the critical design needs of our dam rehab project while keeping the design cost as low as possible. It also makes use of PND's familiarity with the City Creek Dam, since they have been doing the safety inspections and reports for many years prior. With these things in mind, the Water Department recommends that the Borough enter into a design contract with PND for the City Creek Dam Rehabilitation project, in an amount not to exceed \$56,090. If you agree with this recommendation, please forward it to the Borough Assembly for consideration at their next regular meeting on December 5, 2016. Thank you.

Attachment: PND Proposal (4 pages)