



April 30, 2014

Memorandum

To: Karl Hagerman, Acting Borough Manager
CC: Steve Giesbrecht, Borough Manager
From: Chris Cotta, Assistant Public Works Director
Re: Reimbursable Services Agreement (RSA) for the Pump Station 1 Force Main Upgrade

As you know, Public Works has been working on the design of the Pump Station 1 Force Main Upgrade project, which will replace the aging ductile iron wastewater force main located on the beach line in the South Harbor. The goal of this project is to install a new force main in the South Nordic Drive right-of-way as part of the upcoming DOT project to resurface South Nordic Drive, currently scheduled to start construction in Fall 2014.

The project has been split into 2 phases, the first of which is installation of the new force main in the South Nordic Drive ROW. This phase of the project will be performed by DOT's contractor as part of the South Nordic resurfacing project. The 2nd phase of the Pump Station 1 Force Main Upgrade will be the pump station upgrades needed to support the new force main; connection of the new force main; and decommissioning of the old force main that runs from Pump Station 1 to the tie-in point just past Pump Station 2. This 2nd phase of work will be contracted out directly by the Borough and won't require an RSA agreement with another party.

In order for DOT to proceed with the bid process for the South Nordic Drive Refurbishment project (including the Borough's force main upgrade and related work), a Reimbursable Services Agreement is needed between the Borough and DOT. This agreement outlines each party's responsibilities and establishes the necessary financial relationship between the two parties. Once this agreement is in place, DOT's bid process can move forward. After bids are received, the amount of the RSA may need adjustment to reflect prices of the winning bidder. If it turns out that the bids come in over what has been estimated, the Assembly will be presented with a modified RSA reflecting actual bid amounts.

Current estimated RSA cost for Phase 1 is \$1,127,202. Overall estimated project budget is as follows:

Phase 1 work: \$1,127,202 (DOT's estimate – attached for reference)

Phase 2 work: \$340,000 (Dowl's estimate)

DOWL engineering contract: \$254,009 (includes actual to date, plus estimated future services)

Total: \$1,721,211

Public Works Department

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Current project funding includes a \$270,000 design loan from ADEC and a \$1.765M State grant in the FY15 budget. The State grant requires a 30% match, some of which would be provided by the \$270K design loan. Construction loan funding has been applied for through ADEC which will cover the difference. Here's how project funding looks with the current estimated budget:

State grant: \$1,204,848

State design and construction loans: \$516,363

Total: \$1,721,211

It is recommended to move forward with the RSA agreement as drafted in order that DOT may proceed timely with their upcoming bid process for the South Nordic Drive Refurbishment project. Please review the attached RSA and companion documents. If you agree with the recommendation to move forward with the RSA agreement as shown, please present this request to the Borough Assembly for consideration at their next regular meeting on May 5, 2014. Thank you.

Attachments: RSA Transmittal Letter
Proposed Reimbursable Services Agreement