



AGENDA ITEM EXECUTIVE SUMMARY

Agenda Item:	Amendment to Engineering Services Agreement for HVAC Rehabilitation at Water Plant		
Presenter & Title:	Bob Van Gyseghem, Superintendent of Water & Wastewater		
Date:	May 1, 2023		
Please Check Appropriate Box:			
<input checked="" type="checkbox"/>	Committee of the Whole Meeting	<input type="checkbox"/>	Special Committee of the Whole Meeting
<input checked="" type="checkbox"/>	City Council Meeting	<input type="checkbox"/>	Special City Council Meeting
<input type="checkbox"/>	Public Hearing	<input type="checkbox"/>	Other -
Associated Strategic Plan Goal/Objective: EMS-II, ES-III			
Estimated Cost: \$6,000	Budgeted?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Other Funding? <input type="checkbox"/> Yes <input type="checkbox"/> No
Executive Summary:			
<p>As stated in the Executive Summary for the rejection of bids for the water plant HVAC rehabilitation, plans and specifications will need to be revised before rebidding the project. This revision will require additional engineering man-hours. On December 19, 2022 the City Council approved an engineering agreement with Engineering Solutions for the development of plans and specifications for the HVAC rehabilitation at a not-to-exceed amount of \$33,900. Engineering Solutions is requesting additional compensation for the revision of the plans and specifications. Staff is recommending approval of an amendment to the engineering agreement with Engineering Solutions by \$6,000 to a total not-to-exceed amount of \$39,900.00</p>			
Attachments: (please list)			
<ul style="list-style-type: none"> • Resolution • Amendment Proposal 			
Voting Requirements:			
<p><i>This motion requires a simple majority of affirmative votes for passage.</i></p> <p><i>The Mayor may vote on three occasions: (a) when the vote of the aldermen or trustees has resulted in a tie; (b) when one half of the aldermen or trustees elected have voted in favor of an ordinance, resolution, or motion even though there is no tie vote; or (c) when a vote greater than a majority of the corporate authorities is required by state statute or local ordinance to adopt an ordinance, resolution, or motion.</i></p>			
Recommendation / Suggested Action: (how the item should be listed on agenda)			
<p>Recommend approval of a Resolution authorizing the City Administrator to increase the engineering agreement with Engineering Solutions by \$6,000.00 to a total not-to-exceed amount of \$39,900.00.</p>			

RESOLUTION NO. 2023-41
RESOLUTION AUTHORIZING EXECUTION OF
Amendment to Engineering Services Agreement for HVAC Rehabilitation at Water Plant

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GENEVA, KANE COUNTY, ILLINOIS, as follows:

SECTION 1: That the City Administrator is hereby authorized to execute, on behalf of the City of Geneva, an amendment to the engineering services agreement with Engineering Solutions, related to water plant HVAC rehabilitation.

SECTION 2: This Resolution shall become effective from and after its passage as in accordance with law.

PASSED by the City Council of the City of Geneva, Kane County, Illinois, this ____ day of _____, 2023

AYES: __ NAYS: __ ABSENT: __ ABSTAINING: __ HOLDING OFFICE: __

Approved by me this ____ day of _____, 2023.

Mayor

ATTEST:

City Clerk



April 07, 2023

Mr. Bob Van Gyseghem
Superintendent of Water and Wastewater
City of Geneva Public Works Department
1800 South Street
Geneva, IL 60134

SUBJECT: The Water Treatment Plant
HVAC System Rehabilitation and Modernization Project – Re-Bid Process
Proposal and Letter Agreement for Engineering Amendment

Dear Mr. Van Gyseghem:

Status after the Initial Bid Opening.

Subject: Water Treatment Plant: HVAC System Rehabilitation and Modernization Project. And, how to continue to move forward after the disappointing Bid Opening Results of March 27, 2023.

The Bid Opening Summary: Monday March 27, 2023. Opening at 10:00 am.

Results: Two Bids were officially submitted and opened. Those bids are as follows:

- AMS Bid = \$ 607,000.
- Helm Mechanical = \$ 613,000.

Further:

- Engineering Solutions Team Estimate = \$ 451,000.
- City of Geneva Budget = \$ 300,000.

Move Forward Plan:

The City is therefore forced to throw out this Bid. The City and Engineering Solutions Team are exploring how to properly re-advertise the project and Value Engineer the Project to save some money and how to better budget for this required Capital Improvement.

Engineer's Project Status Summary:

It is common in the industry to experience ups and downs with Complex Infrastructure Capital Improvement Projects, such as our project..

The current construction industry, due to changing policies and changing markets, is experiencing fluctuating pricing. A lot of the fluctuating pricing is due to the fact that our Contractors are paying more for their products due to supply chain issues and because of changing labor markets our Contractors are struggling with finding dependable labor forces.



Probably the most challenging aspect for engineers today is to develop the correct engineers' estimates. With variable pricing for the equipment and variable pricing for the labor, the engineer and the contractor both are always trying to hit a moving target.

To meet your specific request, I have developed this memo to provide a summary of the required extra engineering efforts for Engineering Solutions Team to best position the City of Geneva for success in this Re-Bid Process.

The Recommended Budget:

It is recommended that the revised Budget should be established following the simplest and most obvious method. The average of all bids by each interested Contractor. That average would be =

$$= [\$607,000. + \$613,000. + \$600,000. + \$500,000. + \$437,000.] / 5 = \$ 551,400.$$

Therefore, say a recommended revised budget of \$550,000.

The Re-Bid Opening Date:

Scheduling the Re-Bid Opening Date is the City's decision. Please be advised, when utilizing various subcontractors and/or purchasing large equipment; scheduling Monday Bid Openings are never recommended.

The Engineer's Responsibilities And Required Level Of Effort For Re-Bid Process:

Work Already Completed:

- Post-Morton interviews with the interested contractors conducted by Engineering Solutions Team: **No Cost to the City**
- The value engineering exercise conducted by Engineering Solutions Team: **No Cost to the City**

Pending Work Required to be Completed:

To position the City of Geneva for a new Bid Opening for the Subject Project, Engineering Solutions Team will be required to perform the following tasks:

- *Site Inspection:* Larry will again visit the Site to measure the Concrete Pads and further examine the Control Cabinets. 4 hours
- *Update the Plan:* Larry will update the Plan in accordance with his Site Inspection and the Value Engineering Exercise. 8 hours



- Update the Project Specifications and Contract Bidding Documents: Ed will update all the Project Documents for the New Bid Opening. 8 hours
- Post the Project Documents on the QuestCDN Platform: Ed will prepare all Project Documents for posting on the QuestCDN Platform and revise the Project Advertisements. 4 hours
- Pre-Bid Meeting: Ed and Larry both to prepare and attend the Pre-Bid Meeting. 4 hours for each
- Communications with Bidders and Addendum: Ed and Larry both will communicate with contractors and prepare for probable Addendum. 4 hours for each

The Engineer's Proposed Fee:

As presented above Engineering Solutions Team will expeditiously position the City for the Re-Bid of the subject project within 40 manhours of effort.

$$40 \text{ hours} \quad * \quad \$150/\text{hour} \quad = \quad \underline{\$ 6,000.00}$$

The Proposed Re-Bid Project Schedule:

Engineering Solutions Team will defer to the City of Geneva to develop the desired Project Schedule. Working within the confines of the above presented Value Engineering Exercise, we will need to plan for a longer open bid period between the Advertising Date and the Bid Opening Date.

Close:

The **Engineering Solutions Team** looks forward to continue to work with **The City of Geneva** toward the successful conclusion of the Rehabilitated and Modernized HVAC System for the Water Treatment Plant. Furthermore, The Engineering Solutions Team, ensures that the Said work will be performed as described. This letter is intended to act as our Agreement.

Thank you. Respectfully yours,

Edward J Kalina

Edward J Kalina, PE
President, Project Manager

Larry McElheny

Larry McElheny, PE
Project Engineer

Cc: Mr. Mike Anderson, City of Geneva, Project Manager

I have reviewed this letter, and hereby agree to the terms of this agreement.

Name/Title [print]

Signature and Date: City of Geneva