

EVERETT CITY COUNCIL AGENDA ITEM COVER SHEET

PROJECT TITLE:

Amendment No. 1 to the
Professional Services
Agreement with HDR
Engineering, Inc. for the 2016
Water and Sewer
Comprehensive Cost of Service
Study

_____ Briefing
_____ Proposed Action
_____ Consent
_____ Action
_____ First Reading
_____ Second Reading
_____ Third Reading
_____ Public Hearing
_____ Budget Advisory

X

COUNCIL BILL # _____
Originating Department Public Works
Contact Person Dave Davis
Phone Number 425-257-8913
FOR AGENDA OF January 25, 2017

Initialed by:
Department Head _____
CAA db
Council President jt

<u>Location</u>	<u>Preceding Action</u>	<u>Attachments</u>	<u>Department(s) Approval</u>
	Professional Services Agreement 12/2/15	Amendment No. 1	Public Works

Amount Budgeted	\$300,000.00	
Expenditure Required	\$15,000.00	Account Number(s):401 5300109923410 401 5300119923410 401 5300123923410
Budget Remaining	\$155,185.00	
Additional Required	-0-	

DETAILED SUMMARY STATEMENT:

The City of Everett Water and Sewer contracted with HDR Engineering, Inc. to perform a comprehensive water, sewer, and storm water cost of service study in 2015. Additional time and work was required from the consultant to update the cost of service analysis after the initial ordinance was delayed and revised in November 2016. Additional information and development of alternative scenarios outside the original scope of work was required.

Amendment No. 1 extends the agreement until March 31, 2017 and provides for an expanded scope of work in an amount not to exceed \$15,000.

RECOMMENDATION (Exact action requested of Council):

Authorize the Mayor to sign Amendment No. 1 to the Professional Services Agreement with HDR Engineering, Inc. for the 2016 Water and Sewer Cost of Service Study, extending the completion date and providing for additional work in an amount not to exceed \$15,000.

**AMENDMENT NO. 1
PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE CITY OF EVERETT
AND HDR ENGINEERING, INC.**

This Amendment No. 1 is dated for reference purposes November 29, 2016. It is by and between the City of Everett, a municipal corporation under the laws of the State of Washington ("City") and HDR Engineering, Inc. ("Service Provider").

RECITALS

A. The City and Service Provider are parties to the Professional Services Agreement dated December 2, 2015 (the "Agreement").

B. The City and the Service Provider desire to amend the Agreement for the purpose of providing additional services and extending the duration of the agreement.

AGREEMENT

The City and Service Provider agree as follows:

1. The Agreement is modified so that time of beginning and completion are as follows:

Time of Beginning and Completion of Performance: This Agreement shall commence as of the date of execution of this Agreement and shall be completed by March 31, 2017.

2. The Agreement is modified so that total compensation, including all services and expenses, shall not exceed \$144,815.00
3. The Work is modified to add the following Work: Amendment 1, Exhibit "A" Scope of Work attached.
4. Regardless of the date(s) on which this Amendment is signed by the parties, the parties agree that the Agreement has been continuously in effect since December 2, 2015.
5. All provisions in the Agreement shall remain in effect except as expressly modified by this Amendment.

**CITY OF EVERETT
WASHINGTON**

HDR Engineering, Inc.

By: _____
Ray Stephanson, Mayor

Signature: Karen M. Doherty
Typed/Printed Name: Karen Doherty
Title: Sr. Vice President

Date

1/3/17

Date

ATTEST:

APPROVED AS TO FORM:

Sharon Fuller, City Clerk
Date: _____

James D. Iles, City Attorney
Date: _____

**City of Everett
Amendment 1 to the City's Water, Sewer and Surface Water Rate Study
Additional Scope of Services**

HDR provided a draft final report to the City of Everett on the City's 2016 Water, Sewer and Surface Water Rate Study. The City Council has requested additional information and development of alternative scenarios in order to make an informed decision concerning the rates. The City and HDR agree that these additional services are outside of the original scope of services that were provided as a part of the original scope of work.

The additional scope of work to be provided to the City is of an "on-call/as-needed basis" and presumed to be primarily focused on the following areas:

- Development of additional financial planning scenarios: Work with City staff to develop alternative funding scenarios for the capital plans of each utility and determine an alternative rate transition plan.
- Review the issue of median household income and rates: Research the change in median household income and utility rates over the last ten (10) years and provide a summary file/graph of the findings.
- City Council Meetings: Assist, as needed and requested, with up two (2) additional City Council meetings. This may include the development of PowerPoint slides and a presentation to the City Council

Provided below is an estimate of the hours and fees associated with this addendum.

City of Everett Rate Study Addendum 1 - Estimated Fees					
Task	Task Description	Project Manager	Sr. Fin. Analyst	Admin./ Clerical	Total Addendum
	Hourly Billing Rates	\$290.00	\$175.00	\$135.00	
1	Financial Planning Scenarios				
	Total Hours - Task 1	4	40	2	46
	Labor Cost - Task 1	\$1,160	\$7,000	\$270	\$8,430
2	Research Median Household Income				
	Total Hours - Task 2	2	20	1	23
	Labor Cost - Task 2	\$580	\$3,500	\$135	\$4,215
3	City Council Meetings				
	Total Hours - Task 3	6	3	0	9
	Labor Cost - Task 3	\$1,740	\$525	\$0	\$2,265
	Total Hours	12	63	3	78
	Total Estimated Fees	\$3,480	\$11,025	\$405	\$14,910
	Plus: Expenses				
	Mileage				50
	Printing/Copies				40
	Total Expenses				\$90
	Total Project Fee Estimate				\$15,000