



REQUEST FOR BOARD ACTION

ITEM NO. 10

DATE OF MEETING: March 15, 2010

REQUESTED BY: Michael G. Mack, PCU, Director

SHORT TITLE: Resolution Approving Fee Amendment # 1 to the Existing Engineering Services Agreement and Authorizing a Change Order to Hobbs, Upchurch & Associates, P.A. for the additional work to complete Phase I and Phase II of the Maple Hill Community Sewer Project.

BACKGROUND: On October 15, 2007, the Board of Directors of the Maple Hill Water & Sewer District approved, awarded a contract for engineering, construction administration, and inspection services related to Phase 1 of the Maple Hill Sewer Project to Hobbs, Upchurch in the amount of \$312,000. At the time of the contract award, there was insufficient funding to construct even the original Phase I area of 171 homes, but while additional funds were being sought, Hobbs, Upchurch was hired to being the field investigations, surveying, planning, mapping, and technical design for Phase I.

The remaining funding has now been secured through the reinstatement of the CWMTF grant and it appears that both Phase I and Phase II can now constructed to serve the entire 228 properties that initially signed up.

Hobbs, Upchurch & Associates has requested the original contract be amended to include the Phase II scope of work and revise the engineering fees based on the anticipated construction costs of the project in line with the USDA fee curve used to determine engineering fees.

With a revised construction cost estimate of \$3,740,000 to serve 228 properties, the corresponding engineering fee is an additional \$112,000. Hobbs, Upchurch & Associates has put an enormous amount of effort into this project and working with property owners to find the ideal treatment and disposal facility location to make this project successful. Funds for this additional scope are available in the Maple Hill Sewer Project Fund (# 82-409600 – Contingency) and staff is recommending approval of this Amendment.

SPECIFIC ACTION REQUESTED: The Maple Hill Water & Sewer District Board of Directors is requested to approve Amendment # 1 to the existing Engineering Services Agreement and authorize a Change Order to Hobbs, Upchurch & Associates in the amount of \$112,000 for the additional scope of work and requirements to this project.

COUNTY MANAGER'S RECOMMENDATION

Respectfully recommend approval.

JB
Initial

RESOLUTION

NOW, THEREFORE BE IT RESOLVED by the Maple Hill Water & Sewer District Board of Directors that:

Amendment # 1 to the existing Engineering Services Agreement is approved and a Change Order to Hobbs, Upchurch & Associates in the amount of \$112,000 is authorized.

Account # 82-409600 Contingency \$112,000

The Chairman/County Manager is authorized to execute any document necessary to implement this resolution.

AMENDMENTS:

MOVED _____ SECONDED _____

APPROVED _____ DENIED _____ UNANIMOUS

YEA VOTES: Tate ___ Blanchard ___ Brown ___ Rivenbark ___ Williams ___

Jimmy T. Tate, Chairman 03/15/2010
Date

ATTEST 03/15/2010
Date



8262 Market St. - Suite 201 • Wilmington, NC 28411

February 24, 2010

Mr. Michael Mack
Director
Pender County Utilities
605 E. Fremont Street
Burgaw, NC 28425

Re: Maple Hill Sewer Project
Engineering Fee Amendment

Dear Mr. Mack,

As you know, this project has been in the works for some time now. With the latest reinstatement of the CWMTF funding, we all can see some light at the end of the tunnel.

Over the last several weeks, as we have worked towards coming up with a final design, we have been refining our design opinion of construction costs. Enclosed you will find the latest cost opinion for this project as designed to serve the entire 228 residents who initially signed up. In developing this latest opinion of costs, I have used recent bid results which have been 20 to 30 percent lower than what they were two or three years ago. As this project goes to construction next year, I feel comfortable that prices will remain somewhat steady as they are.

Also enclosed is a copy of the original agreement engaging Hobbs, Upchurch to complete this design work. As noted in this original agreement and based on prior discussions between Paul Parker (who was the acting utilities director at the time) and myself, our original negotiated fee was for an initial, unquantified phase of construction. Essentially, our preliminary fee agreement was based purely on the funding available at the time. It was understood at that time that an amendment to the engineering agreement would be necessary once the remaining funding was available.

With what now appears to be full funding for the project, and no further funding agency road blocks, we are hereby requesting a revision to our fee agreement, again as indicated in the attached project budget. This revised engineering fee is based on the anticipated construction costs of the project and uses the long established USDA fee curve in determining engineer's fees. As you know, the USDA fee curve is a conservative way to determine engineer's fees while at the same time, our firm has performed many functions on this project that are outside the "standard engineering services." As always, we are happy to work in this capacity, since our philosophy is to work as an extension of your staff and not just an outside consultant.

Moreover, all involved have put forth an enormous amount of effort in keeping this project moving and I am personally grateful for the opportunity to be a part of what I feel is truly a great project for the Maple Hill Community and Pender County as a whole. That said, it is with sincere appreciation that I ask for your timely consideration of this requested amendment of an addition of \$112,000 (ONE HUNDRED AND TWELVE THOUSAND DOLLARS) to our engineering services contract.

100224-Maple Hill Fee Amendment

2-24-2010

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As always, if I can answer any questions or provide any additional information concerning this request, please do not hesitate to contact me via phone or email.

Sincerely,

HOBBS, UPCHURCH & ASSOCIATES, P.A.

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Jeff Thompson, P.E.

Managing Associate

Enclosures: HUA Original Agreement
100224-Maple Hill Revised Budget
USDA Fee Curve