

WESTERN WAKE PARTNERS

Policy Advisory Committee Recommendations

Tuesday, March 28, 2006

Cary Town Hall, Administration Conference Room #22010

316 N. Academy Street, Cary, North Carolina

www.westernwakepartners.org

Cary Mayor Ernie McAlister called the meeting to order at 4:00 p.m. Committee members attending were Apex Mayor Keith Weatherly, Holly Springs Mayor Dick Sears, Morrisville Mayor Jan Faulkner, Apex Town Manager Bruce Radford, Cary Town Manager Bill Coleman, and Morrisville Town Manager John Whitson. Committee members absent were Holly Springs Town Manager Carl Dean. The meeting adjourned at 4:27 p.m.

1. Approval of minutes of the Policy Advisory Committee held on December 13, 2005.

Mayor Weatherly moved to approve the minutes, Mayor Sears provided the second and the committee unanimously approved the motion.

2. Items for Discussion

a. Contract Award – Engineering Services for the Western Wake Regional Water Reclamation Facility Effluent Pump Station and Outfall Pipeline (PAC06-08)

Mayor Weatherly moved to approve an engineering services contract be awarded to Hazen and Sawyer with a value of \$1,358,400 for design-phase services, with an option for staff to authorize the construction phase services at a later date with a value of up to \$848,120 as a contract amendment, with a total authorized award amount of up to \$2,206,520. Mayor Sears provided the second, and the committee unanimously approved the motion. (Attachment A)

b. Provide for Using SRF Loan for Design of Any Component of Wastewater Management Facilities (PAC06-09)

Mayor Faulkner moved to approve the development of an amendment to the *Agreement For Design, Construction, Ownership, Management And Operation Of Western Wake Regional Wastewater Management Facilities* to modify the terms of use for the SRF Loan. After development, the amendment will be submitted to the elected governing board of each Partner for approval. Mayor Weatherly provided the second, and the committee unanimously approved the motion. (Attachment B)

c. Proposed Budget for Western Wake Regional Wastewater Management Facilities (PAC06-10)

Mayor McAlister moved to approve the budget presented for the period through FY07 for the Western Wake Regional Wastewater Facilities. Mayor Sears provided the second, and the committee unanimously approved the motion. (Attachment C)

3. **Other Business:** N/A

4. **Closed Session**

Mayor Weatherly moved for closed session for the following purpose; Mayor Sears provided the second; and committee granted unanimous approval.

Closed session was called pursuant to G.S. 143-318.11(a)(3) to consult with attorneys employed by and/or retained by the Town in order to preserve the attorney-client privilege between the attorneys and the Town. The Committee expects to receive information concerning the New Hill Community Association ET AL v. Town of Apex ET AL.

5. **Next Meeting:** June 27, 2006, 4:00 p.m. at Cary Town Hall

WESTERN WAKE PARTNERS

Report to the Policy Advisory Committee (PAC06-08)

Date: March 28, 2006
 To: Policy Advisory Committee
 From: Kim Fisher, P.E. – Town of Cary, Director of Public Works and Utilities
 Prepared by: Steve Brown, P.E., Associate Director of Engineering, Town of Cary
 Subject: Contract Award – Engineering Services for the Western Wake Regional Water Reclamation Facility Effluent Pump Station and Outfall Pipeline

Background:

Staff received proposals on February 10, 2006 for engineering services related to the design and construction of the Western Wake Regional Water Reclamation Facility Effluent Pump Station and Outfall Pipeline. This project will provide facilities to convey treated wastewater from the new treatment facility to discharge in the Cape Fear River. Proposals were received from four engineering consultants: the team of Black & Veatch and URS, CDM, Hazen & Sawyer, and the team of Stearns & Wheler and Kimley Horn.

A ten-member selection committee of senior staff from Apex, Cary, Holly Springs and Morrisville was assembled to review these proposals. The selection committee reviewed each proposal for relevant experience of the firm and its personnel and sub-consultants, project approach and proposed schedule and cost. The work consists of two main components: design phase services, and construction phase services. Construction phase services are further broken down into office construction administration services and field inspection services. Key data from the proposals is summarized in the following table:

<u>Consultant</u>	<u>Design Labor-Hours</u>	<u>Design Cost</u>	<u>Construction Labor-Hours</u>	<u>Construction Cost</u>	<u>Total Cost</u>
Black & Veatch/URS	13,948	\$2,030,900	10,491	\$1,119,700	\$3,150,600
CDM	13,109	\$2,002,000	14,790	\$1,588,900	\$3,590,900
Hazen and Sawyer	10,980	\$1,358,400	10,000	\$848,120	\$2,206,520
Stearns & Wheler/	16,435	\$2,378,000	8,635	\$1,043,600	\$3,421,600

Kimley Horn					
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The committee recommends that an engineering services contract be awarded to Hazen and Sawyer. The selection committee found overall that their proposal most satisfied the needs of this project. All of the submitted proposals were well prepared and presented valid project approaches and teams that are qualified to work on this project. The selection committee however reached consensus in its deliberations that Hazen and Sawyer's proposal provides the best overall value for the Partners. Hazen and Sawyer's labor-hour estimate and cost proposal were well below those provided by the other proposing firms. They have confirmed, however, that they carefully considered the effort required to successfully complete this project and consider their proposal to be adequate to the task. The selection committee concurs that their proposal adequately addresses the needs of the project. They have pledged to work closely with the treatment facility designers to provide the Partners with a seamless project.

Hazen and Sawyer's proposal successfully addresses the important project issues. It presents a well-considered plan to evaluate pipeline sizing and alignment alternatives that could significantly reduce pumping energy requirements, the size of electrical components, and real estate impacts. They presented a thorough plan to address important design considerations for the outfall and river discharge. While Hazen and Sawyer was teamed with CDM in development of the regulatory documents and permitting for the Western Wake Regional facilities, they have only been peripherally involved in the effluent pump station and pipeline elements of the project, being much more involved in the raw wastewater conveyance side. Through this work they have become well-informed on design considerations, utility coordination and property issues throughout the project area.

Staff proposes that the engineering services contract be structured in such a manner that pre-determined lump sum amounts be paid for design phase and office-based construction administration services while payment for field inspection services be made based on actual cost with a not-to-exceed ceiling. It is typically in the best interest of both parties to structure compensation in this manner. This is because the amount of effort associated with observing and inspecting construction in the field can vary a great deal depending on contractors, weather, site conditions, material availability, quality of workmanship, and other variables that are difficult to fully quantify at this time. Office-based services are easier to quantify. Staff recommends awarding this contract for design services only at this time, and reserving the right to defer a decision on whether to award construction phase services (office and field) until the design firm has proven itself on this project. The contract will require a separate staff-level authorization for construction phase services.

The Town of Cary has exempted this project from the provisions of North Carolina General Statute 143-64.31 as it is in the best interests of its citizens to procure these services through a process of open competition. Therefore, cost proposals were considered in making the final selection.

Requested Action: It is requested that the Policy Advisory Committee approve that an engineering services contract be awarded to Hazen and Sawyer with a value of \$1,358,400 for design-phase services, with an option for staff to authorize the construction phase services at a later date with a value of up to \$848,120 as a contract amendment, with a total authorized award amount of up to \$2,206,520. This award represents a preliminary determination as to the qualifications of this consulting firm and no legally binding acceptance of this award occurs until the Lead Agency, Town of Cary, has executed a written agreement.

WESTERN WAKE PARTNERS

Report to the Policy Advisory Committee (PAC06-09)

Date: March 16, 2005
To: Policy Advisory Committee
From: Kim Fisher, P.E. – Town of Cary, Director of Public Works and Utilities
Prepared By: Leila Goodwin, P.E. – Town of Cary, Water Resources Manager
Subject: Consideration of Using SRF Loan For Design of Effluent and Raw Wastewater Conveyance Facilities, in Addition to Water Reclamation Facility.

Background:

Section 2.2 (e) of the *Agreement For Design, Construction, Ownership, Management And Operation Of Western Wake Regional Wastewater Management Facilities* dated August 22, 2005 (“Agreement”), defines the SRF Loan as:

“...the \$5,000,000 loan incurred by the Lead Agency from the State of North Carolina in order to finance certain of the costs of the Preliminary Work and the cost of design of the Water Reclamation Facility.”

The terms of the SRF Loan specify that the Lead Agency (Cary) will be reimbursed for eligible expenses incurred prior to January 1, 2007. Eligible expenses include those expenses related to planning, permitting, and design of any of the Western Wake Regional Wastewater Facilities (not just the Water Reclamation Facility). Repayment of the SRF Loan begins November 1, 2007.

Discussion:

While the terms of the SRF Loan allow use of loan funds for design of any component of the Western Wake Regional Wastewater Management Facilities (“Wastewater Management Facilities”), the Project Partners specified use of the design portion of the SRF Loan Funds solely for the Water Reclamation Facility in an attempt to simplify the accounting associated with the SRF Loan.

During preparation of the budget for the Wastewater Management Facilities, it became apparent that the costs incurred prior to January 1, 2007 for the Preliminary Work (EIS/permitting) and for design of the Water Reclamation Facility are expected to be less than \$5,000,000. Staff from the Construction Grants and Loans Section of the NCDENR Division of Water Quality, which administers the SRF Loan, indicated that the end reimbursement date of the SRF Loan cannot be modified.

Approximately \$1.4 million has been spent to date on items eligible for reimbursement, on Preliminary Work and the Water Reclamation Facility design.

The Lead Agency proposes applying SRF Loan funds to the following projects, in order of priority:

Preliminary Work

Water Reclamation Facility Design (including selection of Electrical Power Provider)

Effluent Pump Station and Pipeline Design

Beaver Creek Pump Station and Force Main Design

In order for SRF Loan funds to be used for items related to design of the Effluent Pump Station and Pipeline and the Beaver Creek Pump Station and Force Main, an amendment to the Agreement is needed.

Requested Action: It is requested that the Policy Advisory Committee approve development of an amendment to the *Agreement For Design, Construction, Ownership, Management And Operation Of Western Wake Regional Wastewater Management Facilities* to modify the terms of use for the SRF Loan. After development, the amendment will be submitted to the elected governing board of each Partner for approval.

WESTERN WAKE PARTNERS

Report to the Policy Advisory Committee (PAC06-10)

Date: March 16, 2005
To: Policy Advisory Committee
From: Kim Fisher, P.E. – Town of Cary, Director of Public Works and Utilities
Prepared By: Leila Goodwin, P.E. – Town of Cary, Water Resources Manager
Subject: Consideration of Budget Through FY07 for Western Wake Regional Wastewater Management Facilities

Background:

Section 3.3 of the “Agreement For Design, Construction, Ownership, Management And Operation Of Western Wake Regional Wastewater Management Facilities” dated August 22, 2005, specifies that:

“The Lead Agency shall prepare the Annual Budget for each Fiscal Year and as expeditiously as possible shall provide each of the Project Partners with the Annual Budget. The Lead Agency shall endeavor to prepare and provide to each Project Partner by each March 15 a preliminary Annual Budget for the ensuing Fiscal Year. To the extent possible, the Lead Agency shall prepare the Annual Budget so that it will be possible to determine from such budget the Current Expenses for the Wastewater Management Facilities that will be allocable to each Project Partner during the Fiscal Year.”

Discussion:

Table 1 shows the estimated budget through Fiscal Year 2007 (FY07) for the Western Wake Wastewater Management Facilities, along with expenditures to date. Planned expenditures through FY07 are mostly for land purchase and design. Key items are:

1. Two projects – the West Cary Force Main and West Reedy Branch Gravity Sewer - are not planned to be started until FY08. Since the design of these components must be coordinated with design of the Beaver Creek Pump Station, some portion of preliminary design may be accelerated. If the Lead Agency determines it would be advantageous to the Project Partners to begin earlier, a revised budget will be presented to the Project Advisory Committee.
2. The Town of Cary, as Lead Agency, has assigned one full-time engineer to the Project, and that is what is shown in the Fixed Current Expenses for the Operating Budget.

3. Components for which design costs may be eligible for reimbursement under the \$5 million SRF Loan are noted, depending on the Policy Advisory Board's action on PAC06-09.
4. While the amount spent on land for the WRF and Effluent Pump Station is less than what was budgeted, the cost has not been finalized, and there may be other costs incurred related to the land acquisition. Also, land costs for some of the pipeline components may be more than was expected due to route changes that have occurred. Therefore, the Lead Agency does not recommend changing the total land acquisition amounts at this time. As we begin design and route selection, the Lead Agency will evaluate the land costs in more detail and if appropriate will present a revised budget to the Project Advisory Committee.
5. The total proposed budget up through FY07 is \$36,565,000, of which about \$7 million has already been spent. Most of the \$7 million has been spent on design and construction of a portion of the West Cary Pump Station, and on the WRF and Effluent Pump Station land acquisition.
6. Changes will likely continue to be made to the originally envisioned facilities during the permitting and design processes. A full update of the cost estimates will be done when the final EIS is completed.

Table 2 shows the Partners' pro-rata cost shares for each project, and Table 3 shows the estimated expenditures for each Partner through FY07. For estimation purposes, it was assumed that SRF Loan funds are spent as follows (pending Policy Advisory and governing board action on PAC06-09):

\$2 million on WRF design

\$1 million on Effluent Pump Station and Outfall design

\$300,000 on Beaver Creek Pump Station and Force Main design

That is why the total costs to the Project Partners through FY07 are \$3.3 million less than the planned expenditures shown in Table 1.

Requested Action: It is requested that the Policy Advisory Committee accept the budget presented for the period through FY07 for the Western Wake Regional Wastewater Facilities.

Table 1

**Western Wake Regional Wastewater Management Facilities
Budgets Through Fiscal Year 2007**

	Budgeted Amounts From Interlocal Agreements			Proposed Capital Budget Through FY07	Spent Through 3/2/06		
Capital Budget							
Facility	Capital	Land	Total	Total	Capital	Land	Total
West Cary PS	\$ 12,597,000	\$ 400,000	\$ 12,997,000	\$5,343,000 ⁽²⁾	\$2,893,081 ⁽²⁾	\$351,645	\$3,244,726
West Cary Force Main	\$ 8,589,000	\$ 99,000	\$ 8,688,000	\$0 ^(2,3)	\$ -	\$ -	\$0
West Reedy Branch Gravity	\$ 7,429,000	\$ -	\$ 7,429,000	\$0 ^(2,3)	\$ -	\$ -	\$0
Beaver Creek PS	\$ 20,774,000	\$ 580,000	\$ 21,354,000	\$2,189,000 ⁽²⁾	\$ -	\$ -	\$0
Beaver Creek Force Main	\$ 9,642,000	\$ 124,000	\$ 9,766,000	\$2,189,000 ⁽²⁾	\$ -	\$ -	\$0
Western Wake WRF	\$ 113,698,000	\$ 7,585,000	\$ 121,283,000	\$16,160,000 ⁽¹⁾	\$ 243,173 ⁽¹⁾	\$3,073,619	\$3,316,792
Effluent Pump Station	\$ 10,062,000	\$ 1,235,000	\$ 11,297,000	\$2,841,000 ⁽²⁾	\$ 238 ⁽²⁾	\$500,357	\$500,595
Effluent Pipeline and Outfall	\$ 37,378,000	\$ 1,323,000	\$ 38,701,000	\$7,713,000 ⁽²⁾	\$ -	\$ -	\$0
Total Capital Budget	\$ 220,169,000	\$ 11,346,000	\$ 231,515,000	\$36,435,000	\$ 3,136,492	\$ 3,925,621	\$ 7,062,113
Operating Budget							
Project Management (Fixed Current Expenses)	NA			\$130,000	\$0		
Grand Total				\$36,565,000			
⁽¹⁾ Costs for design eligible for reimbursement under SRF Loan ⁽²⁾ Costs for design eligible for reimbursement under SRF Loan, submittal pending approval by Policy Advisory Committee ⁽³⁾ Some preliminary design may be done in FY07 as part of Beaver Creek PS design							

Table 2

Cost Share Allocations for Western Wake Regional Wastewater Management Facilities

Facility	Apex	Cary	Holly Springs	Morrisville
West Cary PS	0%	87.8%	0%	12.2%
West Cary PS Land	0%	87.5%	0%	12.5%
West Cary Force Main	0%	87.8%	0%	12.2%
West Cary Force Main Land	0%	87.5%	0%	12.5%
West Reedy Branch Gravity Sewer	10.6%	78.2%	0%	11.2%
West Reedy Branch Gravity Sewer Land	10.6%	78.2%	0%	11.2%
Beaver Creek PS	22.0%	68.6%	0%	9.4%
Beaver Creek PS Land	34.7%	57.2%	0%	8.1%
Beaver Creek Force Main	26.2%	64.9%	0%	8.9%
Beaver Creek Force Main Land	34.7%	57.2%	0%	8.1%
Western Wake WRF	34.1%	57.7%	0%	8.2%
Western Wake WRF Land	34.7%	57.2%	0%	8.1%
Effluent Pump Station	25.6%	43.4%	24.8%	6.2%
Effluent Pump Station Land	26.9%	44.3%	22.5%	6.3%
Effluent Pipeline and Outfall	25.6%	43.4%	24.8%	6.2%
Effluent Pipeline and Outfall Land	26.9%	44.3%	22.5%	6.3%
Project Management	26.7%	59.6%	5.3%	8.4%

Table 3

**Western Wake Regional Wastewater Management Facilities
Project Partner Budgets Through Fiscal Year 2007**

	Invoiced Through 3/2/06				Remaining
Capital Budget					
Facility	Apex	Cary	Holly Springs	Morrisville	Apex
West Cary PS	\$0	\$1,302,586	\$0	\$182,082	\$0
West Cary Force Main	\$0	\$0	\$0	\$0	\$0
West Reedy Branch Gravity Sewer	\$0	\$0	\$0	\$0	\$0
Beaver Creek PS	\$0	\$0	\$0	\$0	\$555,240
Beaver Creek Force Main	\$0	\$0	\$0	\$0	\$584,058
Western Wake WRF ⁽¹⁾	\$1,030,177	\$1,698,160	\$0	\$240,474	\$3,839,663
Effluent Pump Station ⁽²⁾	\$130,006	\$214,100	\$108,741	\$30,448	\$535,050
Effluent Pipeline and Outfall ⁽³⁾	\$0	\$0	\$0	\$0	\$1,735,727
Total Capital Budget	\$1,160,183	\$3,214,846	\$108,741	\$453,003	\$7,249,738
Operating Budget					
Project Management (Fixed Current Expenses)	\$0	\$0	\$0	\$0	\$34,710
Totals for Each Project Partner	\$1,160,183	\$3,214,846	\$108,741	\$453,003	\$7,284,448
Grand Total ^(1,2,3)					
⁽¹⁾ Assume \$2M SRF Loan used for design ⁽²⁾ Assume \$300,000 SRF Loan used for design ⁽³⁾ Assume \$1M SRF Loan used for design					