



## **MAYOR & COUNCIL COMMUNICATION**

**DATE:** December 20, 2016  
**REGULAR**  
**ITEM** 24

**AGENDA ITEM:** Old Village Phase 3 Street, Drainage, and Utility Improvements – Public Improvement Hearing; Resolution Ordering the Improvement and the Preparation of Plans and Specifications; Motion to Approve Engineering Design and Construction Support Services Contract

**SUBMITTED BY:** Jack Griffin, City Engineer

**THROUGH:** Kristina Handt, City Administrator

**REVIEWED BY:** Chad J. Isakson, Assistant City Engineer  
Cathy Bendel, Finance Director

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### **SUGGESTED ORDER OF BUSINESS:**

- Introduction of Item ..... City Engineer
- Report/Presentation..... City Engineer
- Questions from Council to Staff ..... Mayor Facilitates
- Open Public Improvement Hearing, Public Input..... Mayor Facilitates
- Call for Motion ..... Mayor & City Council
- Discussion ..... Mayor & City Council
- Action on Motion..... Mayor Facilitates

**POLICY RECOMMENDER:** Engineering.

**FISCAL IMPACT:** \$125,000 for engineering and geotechnical fees necessary for the preparation of plans and specifications and bidding services for the proposed improvements.

The Old Village Phase 3: Street, Drainage and Utility Improvements is an estimated \$2,454,400 infrastructure project that will be partially assessed against the benefitting properties consistent with the City's Special Assessment Policy. The project is funded through the issuance of general obligation bonds and special assessments. Ordering the Improvements and authorizing the preparation of plans and specifications commits the City to incur the engineering costs necessary to complete detailed design and receive contractor bids to ready the project for construction in 2017. The council will be asked to award a contract for construction in May 2017, at which time the City would be asked to commit to the remaining project costs.

**SUMMARY AND ACTION REQUESTED:** The City Council is respectfully requested to open the Public Improvement Hearing for the Old Village Phase 3: Street, Drainage and Utility Improvements; and following the Hearing, consider adopting Resolution No. 2016-111 Ordering the Improvement and the Preparation of Plans and Specifications; and awarding a Professional Engineering Design and Construction Support Services Contract.

**LEGISLATIVE HISTORY/BACKGROUND INFORMATION:** Pursuant to Minnesota Statutes, Section 429.011 to 429.111, a Public Improvements Hearing was noticed for December 20, 2016, to consider making the improvements necessary to extend sanitary sewer to the Lake Elmo Elementary School, City Hall and the Westbrook Building (3825 Lake Elmo Avenue) as well as extending sanitary sewer along Laverne Avenue, from 39<sup>th</sup> Street North to CSAH 14; 31st Street North, from CSAH 17 to the east end; Laverne Court North, from 31st Street North to south cul-de-sac; and Layton Court North, from 31st Street North to south cul-de-sac. The improvements include the reconstruction of the existing streets with concrete curb and gutter, installation and repair of storm sewer, the replacement of the aged watermain, and a sanitary sewer service stub extended to the property line for each benefitting property. The improvements also include the construction of a sidewalk and/or trail along Laverne Avenue from 39<sup>th</sup> Street North to CSAH 14 as part of the Downtown Master Plan. The watermain along Laverne Avenue will be upsized to a trunk 16-inch diameter main as the final connection for the intermediate/low pressure zone relocation to the Union Pacific Railroad.

The attached notice was published in the official newspaper and individual notifications were sent to each address that will be wholly or partially assessed for the improvements.

A feasibility report was adopted by the City Council on November 15, 2016 in order to ready these improvements for 2017 construction and in response to the receipt of petitions for sanitary sewer service. One petition was received on April 1, 2016, from the Lake Elmo Elementary School (Independent School District #834) at 11030 Stillwater Boulevard, and a second petition was received on June 8, 2016, from the property owners along 31st Street North, from CSAH 17 to the east end, Laverne Court North, from 31st Street North to south cul-de-sac, and Layton Court North, from 31st Street North to south cul-de-sac. The feasibility report is needed to meet state statutory requirements if any portion of the project is to be assessed. The report identifies the necessary improvements, the estimated project costs, the assessment methodology and preliminary assessment amounts to be levied against benefitting properties.

The report also addresses two alignment options for extending sanitary sewer to the Lake Elmo Elementary school. Option 1 installs the sanitary sewer along existing public right-of-way which results in additional properties being served by the improvements as well as results in an expanded project scope requiring watermain replacement, storm sewer upgrades and street reconstruction. Option 2 assumes that sewer easements can be reasonably obtained to route the sanitary sewer along private property lines directly from 39<sup>th</sup> Street to the school location. Option 2 minimizes the project scope and infrastructure costs necessary to get the elementary school connected to municipal sewer service.

The estimated total cost for the Old Village Phase 3 improvements is \$2,454,400 with the street, sidewalk and storm sewer improvements estimated at \$1,147,700; the sanitary sewer improvements estimated at \$753,800; and the watermain improvements estimated at \$552,900.

The improvements are proposed to be assessed against the benefitting properties consistent with the City's Special Assessment Policy and the Old Village Sewer Assessment Policy. Sanitary sewer assessments are proposed for those properties that abut the improvements and receive a service stub as part of the project. The assessment amount is based on the estimated total project costs for all project phases to replace all existing septic systems in the Old Village as identified in the Old Village CIP. After removing trunk oversize costs, to be paid directly from the sewer enterprise fund, the remaining costs are 100% assessed using a residential equivalent unit method. The one unit assessment amount is then increased each year using a construction cost index to account for increased annual construction costs.

Street and storm sewer improvement assessments are proposed at a rate of 30% for residential properties using a unit method. Residential properties along 31st Street North, Laverne Court North, and Layton Court North with direct access to the street are included as benefitting properties. Street, sidewalk and storm sewer improvement assessments are proposed at a rate of 100% for commercial properties based on the actual front footage along Laverne Avenue. The remainder of the project costs are proposed to be paid through a combination of sanitary sewer enterprise funds, water enterprise funds and general funds.

Assessments for street, sidewalk and storm sewer improvements are levied over 15 years while the sanitary sewer improvements are levied over a 20-year period. Additional cost breakdown, assessment information, and financial detail is presented in the Feasibility Report.

To complete the engineering design, the city engineer prepared and sent out a Request for Proposal (RFP) for the Engineering Support Services that include topographic survey, the preparation of plans and specifications; plan printing, distribution and bidding services; construction administration support to the city engineer, and construction staking. FOCUS Engineering will provide council communication, project management, and construction administration and observation services for the project. FOCUS will also oversee the project design standards and documents to be incorporated with the project plans and specifications.

The RFP was sent to two firms from the city's Engineering Consultant Pool, including Bolton and Menk and SEH. Proposals were received on December 9, 2016 and ranked as follows:

- Project Team Qualifications with a focus on a Project Manager capable of leading and delivering a street reconstruction project with utility installation.
- Demonstrated understanding and experience with the project and understanding of the critical success factors.
- Understanding the scope of work and roles and responsibilities of the Consultant.
- Collaboration of skills and responsiveness demonstrated during the RFP submittal process and:
- Engineering Fees, indicating a detailed breakdown that is consistent with the Consultant's written proposal and the needs for delivery of a successful project.

The attached exhibit provides the Proposal Fee Summary as received by the responding consultants. The Proposal Fees ranged from \$117,998 to \$119,500. Engineering Fees are

subtotaled for each project phase including project management, plans and specifications, bidding, and construction support services including construction staking.

The city engineer is recommending a contract be awarded to SEH, Inc. if the City proceeds with the Option 1 scope of improvements. They assigned a qualified team appropriate for the level of work required for this project and familiar with the Old Village Phase 1 and Phase 2 Improvements. SEH also identified a thorough understanding of the work to be performed and they are aware of key issues related to the project. Should the City proceed with the Option 2 improvements then the city engineer is recommending a contract be awarded to Bolton and Menk, Inc.

Engineering will issue a RFP for geotechnical services based on the design engineer's recommendations and scope. Staff is requesting council allow staff to enter into an agreement with the geotechnical engineer based on a not-to-exceed amount of \$15,000. Actual costs will be determined once a scope is put together and geotechnical proposals are received.

**RECOMMENDATION:** Staff is recommending that the City Council adopt Resolution No. 2016-111 Ordering the Improvements and the Preparation of Plans and Specifications for the Old Village Phase 3 Street, Drainage and Utility Improvements. The recommended motion for this action is as follows:

***“Move to adopt Resolution No. 2016-111 Ordering the Old Village Phase 3: Street, Drainage and Utility Improvements and the Preparation of Plans and Specifications.”***

Staff is also recommending that the City Council award a Professional Engineering Design and Construction Support Services Contract for the Old Village Phase 3: Street, Drainage and Utility Improvements. Staff is recommending SEH be awarded the contract if Option 1 is selected for the scope of improvements and Bolton and Menk be awarded a contract if Option 2 is selected for the scope of improvements. The recommended motion for this action is as follows:

***“Move to approve a Professional Engineering Design and Construction Support Services Contract to SEH, Inc. in the not to exceed amount of \$119,500 for Option 1 (or to approve a Professional Engineering Design and Construction Support Services Contract to Bolton and Menk, Inc. in the not to exceed amount of \$92,104 for Option 2). In addition, move to approve a geotechnical services budget in the not to exceed amount of \$15,000.”***

**ATTACHMENT(S):**

1. Resolution 2016-111 Ordering the Improvements and Preparation of Plans and Specifications.
2. Notice of Hearing on Improvement.
3. Preliminary Assessment Roll.
4. Location Map.
5. Project Schedule.
6. Proposal Fee Summary Worksheet.