



City Council

Agenda Item

Subject: Approval of Professional Services Agreement Amendment No. 1 with TEGRA Group Inc., for Owner's Representative Services related to the Wastewater Treatment Facility Improvements, Project No. 2317, in the amount of \$607,126.00.

Meeting: City Council - Jun 03 2024

From: Amanda Mack, City Manager

BACKGROUND INFORMATION:

Amendment No 1 will be the Owner's Representative/Construction Administration services for the Wastewater Treatment Facility Improvements, Project No. 2317. These services include examination and processing of project management related submittals, CMAR pay applications, work change directives, change orders, schedules, and other items related to the construction administration of the project.

This agreement with TEGRA is included in the total project expense of \$60,714,000.00

FINANCIAL CONSIDERATIONS:

Initial funding for the overall WWTF and Collection System project was budgeted in the CIP Wastewater Treatment Facility fund account 604-43256-43987 in the amount of \$36,000,000.00. To cover that expense, the City was awarded \$35.7M in current funding. \$15,894,200 in grants (\$3.7M in ARPA, additional \$3.7 matching ARPA, and \$8.5M additional grants), \$19,819,800 in SRF loans at 2.125% for 30 years. Later, during project development, an additional \$25,000,000 in SRF loans at 3.25% for 30 years. This will bring the total project budget to approximately \$61,000,000.

Professional Services Agreements specific to Tegra to perform Owner's Representative duties:

Original Contract: \$207,308.00

Amendment 1: \$607,126.00

Total contract: \$814,434.00

OVERSIGHT / PROJECT RESPONSIBILITY:

Heath VonEye, Asst. City Mgr./Public Works Director

Robert Dari, Wastewater Superintendent

Justin Petersen, City Engineer

Marci Lewno, Engineer I/Project Manager

STAFF RECOMMENDATION / SUGGESTED MOTION:

Staff recommends approval of this amendment to professional services agreement through the following motion:

I move to approve Professional Services Agreement Amendment No. 1 with TEGRA Group Inc., for Owner's Representative Services related to the Wastewater Treatment Facility Improvements, Project No. 2317, in the amount of \$607,126.00.

ATTACHMENT(S):

[2317 WWTF- TEGRA Agreement Amendment #1 with Tegra Signature](#)

CONSULTING AGREEMENT

CITY OF WATERTOWN

WASTEWATER TREATMENT FACILITY AND COLLECTIONS PROJECT

Consulting Agreement between City of Watertown, SD and The TEGRA Group, Inc.

dated October 18, 2023

AMENDMENT #1 dated June 3, 2024

TEGRA to perform the tasks generally defined in Exhibit B of the Consulting Agreement between City of Watertown, SD and The TEGRA Group, Inc. dated October 18, 2023. Exhibit B also attached hereto for reference.

CITY shall pay TEGRA for the Services outlined on Exhibit B on a fixed fee basis of \$607,126 payable at \$15,977 per month, beginning July 1, 2024, through August 31, 2027.

CITY of WATERTOWN

TEGRA GROUP

By: _____

By:  _____

Printed Name: _____

Printed Name: Richard Strassburg

Title: _____

Title: Partner and President

ATTEST:

City Clerk

Exhibit B

City of Watertown – Wastewater Treatment Facility

Detailed Scope of Services

STEP TWO – POST GMP

- A. **General Project Administration** - Prepare and participate in project meetings, City Council and community meetings as requested by City Manager; oversee project communication between ENG and CMAr teams, vendors, and service providers; prepare and respond to emails and phone calls.
- B. **Cost Control** - Provide risk management tools to evaluate potential financial and schedule risks; track approved and pending change orders, analysis of budget/contingency; assist the ENG team in their review, evaluation and negotiation of CMAr change order requests; review change order requests with the City; assist in classifying and maintaining a log of all change orders in the following categories: (a) unforeseen conditions (b) errors and omissions (c) code and regulatory or (d) City changes; review ENG Additional Services requests, assist in negotiations as needed; periodically update the Master Budget to reflect approved revisions.
- C. **Contract Compliance** - Monitor ENG, consultants, CMAr and vendors for contract compliance; interface as needed with project legal advisors regarding contract amendments; consult with legal advisors on various issues as needed throughout the process.
- D. **Day-to-Day Issue Resolution** - Provide experienced based recommendations and assist with resolving day-to-day issues that often arise during the construction of complex components of the Project.
- E. **Project Accounting** - Provide comprehensive financial accounting for the Project; beginning at the time of the CMAr Notice to Proceed and continuing until project completion, provide a monthly Draw Request Report that includes a monthly draw request master spreadsheet, comprehensive invoice summary and copies of all project invoices approved for payment that month; Monthly Draw Request spreadsheet to include the following for each vendor (a) original approved budget, (b) previous month budget, (c) budget revisions for the month, (d) current budget, (e) payment this application, (f) retainage, (g) total paid to date, (h) amount under contract, (h) funds available to finish and (j) percentage complete; invoice summary to include a complete listing of all current and past invoices; reconcile TEGRA cost accounting with City Accounts Payable staff.
- F. **Schedule Compliance** - Monitor vendors, service providers and contractors for schedule compliance and report deviations to City; facilitate development of schedule recovery plans if needed.
- G. **Requests for Payment** - Review each submitted invoice or contractor pay request against amount under contract and paid to date on Monthly Draw Request; review service provider and vendor invoices and CMAr monthly pay requests with requirements in corresponding contract agreements; walk the job site with the ENG and assist ENG in determining if CMAr's proposed percentage complete for each trade category on the schedule of values is accurate; obtain ENG certification of pay requests; make invoice and pay application approval recommendations to the City.
- H. **Project Reporting** – Review CMAr's monthly status report which shall include subcontractor buyout report, bid lose/bid savings report, contingency report, pending change order report, comparison of the general schedule to the work actually completed through the date of the report, and list of outstanding issues requiring City action or approval; assist City Manager and City's Project Manager with project reporting as required.

- I. **Quality Assurance and Job Site Safety** – Assist project team in structuring a program for quality assurance, contract compliance, mock-ups, and field testing; recommend peer review of plans and specifications if appropriate; review notices of defective work, monitor CMAr’s defective work log, review remedies and coordinate approval from ENG for all corrective work; review the CMAr proposed site specific safety plan, monitor CMAr safety reports of recordable accidents; report quality discrepancies, security and safety concerns to City.
- J. **Risk Management** – Identify and assess risks throughout the process and work with City Manager and City’s Project Manager, ENG and CMAr to develop a risk mitigation plan as needed.
- K. **Construction Administration** – Participate in periodic job site walk thru visits to observe progress, staffing, quality, and contract compliance; assist with identifying problems/challenges and provide experienced based recommendations to City on solutions to day-to-day issues; represent the City in job site meetings and job site walk thru meetings; monitor Construction Change Directives, Construction Bulletins, RFI submittal log, shop drawing submittal log, CMAr submittal log, samples and mock ups; monitor and track proposed change orders; keep City informed of problems and issues observed on site.
- L. **Low Voltage** – Provide comprehensive oversight and management of the IT, audio and video design, procurement, and installation of all technology and security systems.
- M. **Project Close Out** – Facilitate the punch list process with the ENG and CMAr; monitor the CMAr’s progress in obtaining final sign-off from City inspectors; monitor the commissioning process; assist the Architect with determination of dates for substantial and final completion; coordinate the transmittal of warranties, O&M documents, as-built documents, final lien waivers, attic stock, and CMAr field redlines of plans and specifications.