



Engineering Services Committee Meeting Committee Room- 3/23/2009- 12:45 PM

ENGINEERING SERVICES

1. Accept a gift of \$650 from the Augusta Women's Club for improvements to planted areas around select historical markers on Central Avenue, approve transfer of those funds from the Donation account to Operational account #101-06-2411-53.11710, and increase the budget in that line item from \$6,840 to \$7,490 to allow staff to proceed with procuring material to complete the requested work. ☐ [Attachments](#)

2. Approve Amendment No. 13 (Year 2009 Agreement Modifications) to Agreement with OMI for a 2009 Budget cost of \$7,513,768.80 and Reconciliation of 2008 Operating Costs. (Funded by Account No. 506043310-5211110) ☐ [Attachments](#)

3. Approve the Final Change Order to the existing construction contract with W.L. Hailey and Company, Inc. to finalize bid schedule line items and approve funding to finalize construction. ☐ [Attachments](#)

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**Engineering Services Committee Meeting
3/23/2009 12:45 PM
Accept Donation from Augusta Women's Club**

Department: Public Services Department - Facilities Management Division

Caption: Accept a gift of \$650 from the Augusta Women's Club for improvements to planted areas around select historical markers on Central Avenue, approve transfer of those funds from the Donation account to Operational account #101-06-2411-53.11710, and increase the budget in that line item from \$6,840 to \$7,490 to allow staff to proceed with procuring material to complete the requested work.

Background: The Augusta Women's Club has donated \$650 to Augusta to enhance the area around existing historical markers on Central Ave. There are two markers originally placed by the Women's Club. One is on Central Ave. at Troupe St. labeled "Heroes Grove circa 1920". The other is on Central Ave. at Monte Sano Ave. labeled "WWI Veterans and Camp Hancock". The Women's Club desires for the area immediately surrounding these two markers to be more heavily planted. The plan includes adding some double-knockout roses around the existing markers and annual planting on the Monte Sano Ave. side, and removal and replanting of azaleas around and behind the marker on the Troupe St. side. There are also funds included to procure and plant a Willow Oak and a Dogwood in two areas closer to the Monte Sano Ave. side of Central Ave. The areas for the trees were locations where similar trees had been removed and never replaced. The monies are intended to procure plant material only. Facilities Management - Landscape Section will provide the plant layout and the labor for installation.

Analysis: The check from the Augusta Women's Club was deposited in the Designated Donations account and must be transferred by Commission action into an Operating fund, with a corresponding increase in the budget for the line item, in order for staff to make use of the donation.

Financial Impact: Funding for Operational Account #101-06-2411-53.11710 will increase by \$650 at no cost to Augusta.

Alternatives: 1. Accept a gift of \$650 from the Augusta Women's Club for improvements to planted areas around select historical markers on Central Avenue, approve transfer of those funds from the Donation account to Operational account #101-06-2411-53.11710, and increase the budget in that line item from \$6,840 to \$7,490 to allow staff to proceed with procuring material to complete the requested work. 2. Do not accept the gift.

Recommendation: #1. Accept a gift of \$650 from the Augusta Women's Club for improvements to planted areas around select historical markers on Central

Cover Memo

Avenue, approve transfer of those funds from the Donation account to Operational account #101-06-2411-53.11710, and increase the budget in that line item from \$6,840 to \$7,490 to allow staff to proceed with procuring material to complete the requested work.

**Funds are Available in
the Following
Accounts:**

No funds are required.

REVIEWED AND APPROVED BY:

**Finance.
Law.
Administrator.
Clerk of Commission**



**Engineering Services Committee Meeting
3/23/2009 12:45 PM**

Amendment No. 13 to Contract with OMI, Inc. and Reconciliation of 2008 Expenses

Department: Utilities

Caption: Approve Amendment No. 13 (Year 2009 Agreement Modifications) to Agreement with OMI for a 2009 Budget cost of \$7,513,768.80 and Reconciliation of 2008 Operating Costs. (Funded by Account No. 506043310-5211110)

Background: On July 20, 1999 Augusta and Operations Management International, Inc. (OMI) entered into an Agreement for Operations, Maintenance and Management Services. Article 2.36 of the Agreement provides that OMI will prepare an annual amendment to the Agreement which establishes the budget for the year. Attached is a proposed Amendment No. 13 from OMI, which sets forth a 2009 budget of \$7,513,768.80. The estimated cost of wastewater treatment services for 2008 is \$7,226,268.80. We have also included an allowance of \$287,500.00 to provide for OMI assistance with maintenance as may be needed at the water treatment facilities and other areas within our system. OMI has been able to provide such assistance in a very timely and cost effective manner in previous years. Also attached is the reconciliation of 2008 actual operating costs with the 2008 budgeted costs. This reconciliation shows a balance due to OMI under the terms of our existing agreement in the amount of \$354,588.78.

Analysis: The 2009 budget cost contained in this amendment represents a 3.9% increase in the budgeted cost of wastewater treatment services over 2008 actual costs. The cost of this budget is within the established 2009 Utilities Department budget amount for this expense. The budget represents a spending plan which will be closely monitored by Utilities Department staff. Approval of this amendment will establish the 2009 line items and total cost for the Agreement for Operations, Maintenance and Management Services with OMI. The 2008 actual expenditures for operation of our water pollution control facilities exceeded the budgeted amount by \$354,588.78. This increase was primarily due to increases in the cost of power, chemicals, biosolids application (which has a significant fuel component) and an increased organic load on the treatment facilities.

Financial Impact: \$7,868,357.58 from Account No. 506043310-5211110.

Alternatives: (1) Approve the proposed budget for 2009 and reconciliation of 2008 expenses or (2) Reject the proposed budget and re-negotiate.

Cover Memo

Recommendation: Approve Amendment No. 13 (Year 2009 Agreement Modifications) to the agreement with OMI for a 2009 Budget cost of \$7,513,768.80 and

reconciliation of 2008 operating costs by a payment to OMI in the amount of \$354,588.78. (Funded by Account No. 506043310-5211110)

**Funds are Available in
the Following
Accounts:**

\$7,868,357.58 from Account No. 506043310-5211110.

REVIEWED AND APPROVED BY:

**Finance.
Procurement.
Law.
Administrator.
Clerk of Commission**

AMENDMENT NO.13
TO THE
AGREEMENT FOR OPERATIONS,
MAINTENANCE AND MANAGEMENT SERVICES
FOR
AUGUSTA, GEORGIA

This AMENDMENT No. 13 to the Agreement date July 20, 1999 is made effective this 1st day of January, 2009 between Augusta, Georgia, a political subdivision of the State of Georgia, whose address for any formal notice is 530 Green Street, Room 801, Augusta Georgia 30911, Attention: City Administrator (hereinafter "Owner") and Operations Management International, Inc. (hereinafter "CH2M HILL OMI") with offices at 9193 South Jamaica Street, Suite 400, Englewood, Colorado 80112.

NOW THEREFORE, Owner and CH2M HILL OMI agree to amend the Agreement as follows:

1. Article 2.34 is hereby deleted in its entirety and replaced with the following Article 2.34:
 - 2.34 Provide, and document repairs as described in Appendix A.5, provided the total amount CH2M HILL OMI shall be required to pay does not exceed Three Hundred Twenty Four Thousand One Hundred Ninety Two Dollars and No Cents (\$324,192.00) during the tenth year of the Agreement (January 1, 2009 through December 31, 2009). At such time that actual repair costs exceed the annual repairs limit, CH2M HILL OMI shall notify the Owner in writing. Repairs in excess of the annual repair budget will be invoiced at direct costs, with no markup for overhead or profit and will be included in the annual reconciliation of the contract.
2. Article 4.1 is hereby deleted in its entirety and replaced with the following Article 4.1:
 - 4.1 For services rendered for the period January 1, 2009 through December 31, 2009, Owner shall pay to CH2M HILL OMI a base fee equal to the actual cost of services as provided in Article 4.3, which includes a Management Fee of One Hundred Eighty Eight Thousand Five Hundred Eleven Dollars and Thirty Six Cents (\$188,511.36). Said Management Fee and Base Fee shall increase proportionally with Base Fee adjustments described in Article 4.4.
3. Article 4.3 is hereby deleted in its entirety and replaced with the following Article 4.3.
 - 4.3 CH2M HILL OMI estimates that the cost for services for the period January 1, 2009 through December 31, 2009 shall be Seven Million Five Hundred Thirteen Thousand Seven Hundred Sixty Eight Dollars and Eighty Cents (\$7,513,768.80). Details of said costs are shown in Appendix K. The Base Fee shall be negotiated each year beginning 120 days prior to conclusion to contract year. Should Owner and CH2M HILL OMI fail to agree, the Base Fee will be determined by the application of the Base Fee Adjustment Formula shown in Appendix F.
4. Appendix K is hereby deleted in its entirety and replaced with the attached Appendix K.

This Amendment No. 13 together with the Agreement constitutes the entire agreement between the Parties and supersedes all prior oral and written understandings with respect to the subject matter set forth herein. Unless specifically stated all other terms and conditions of the Agreement shall remain in full

force and effect. Neither this Amendment nor the Agreement may be modified except in writing signed by an authorized representative of the Parties.

The Parties, intending to be legally bound, indicate their approval of the Amendment by their signatures below.

OPERATIONS MANAGEMENT
INTERNATIONAL, INC.

AUGUSTA, GEORGIA

Natalie Eldredge

Vice President

Date: _____

David S. Copenhaver

Mayor

Date: _____

ATTEST: _____

Clerk

Appendix K

Estimated Costs 2009

Description	Annualized Cost	
Labor and Benefits	\$ 2,042,194.00	
Administrative	\$ 83,146.00	
Equipment and Vehicle Expense	\$ 133,256.00	
Biosolids Application	\$ 1,333,332.00	
Training	\$ 32,018.00	
Materials and Supplies	\$ 107,422.00	
Chemicals	\$ 468,432.00	
Outside Services	\$ 153,400.00	
Power	\$ 1,606,320.00	
Repairs	\$ 324,192.00	
Miscellaneous	\$ -	
Sub-total		\$ 6,283,712.00
Overhead 12%	\$ 754,045.44	
Management Fee	\$ 188,511.36	
Sub-total		\$ 942,556.80
Directors Allowance	\$ 250,000.00	
Overhead 12%	\$ 30,000.00	
Management Fee	\$ 7,500.00	
Sub-total		\$ 287,500.00
Total		\$ 7,513,768.80



CH2M HILL OMI
1820 Doug Bernard Pky
Augusta, GA 30906
Tel 706.793.1691
Fax 706.798.1572

March 9, 2009

Mr. D. Allen Saxon, MS
Assistant Director – Wastewater
Augusta Utilities
360 Bay Street
Suite 180
Augusta, Georgia 30901

SUBJECT: 2008 Contract Budget Reconciliation

Dear Mr. Saxon:

CH2M HILL OMI has completed our budget reconciliation for 2008. Our expenses for operation of Augusta's two wastewater treatment plants exceeded our projections by \$462,764.16. The reasons for the overage were increases in loadings on the plant and electrical cost that could not have been reasonably projected when the 2008 budget was prepared.

The loading on the Messerly Plant has been relatively constant over the past several years. The average annual organic (BOD) loading was 52,477 and 55,692 pounds per day for 2006 and 2007, respectively. We anticipated this loading level to be in the same range for 2008; however, the actual loading on the facility increased by over 14% to an average of 63,576 pounds per day. Changes in the BOD loading directly impact power utilization, chemical consumption and solids disposal costs.

Power cost was also impacted by a higher than anticipated increase in electrical rates for 2008. The average cost of power per KWH increased by 10.94% in 2008 over 2007 compounding the utilization increase and resulting in an overall increase in power of 17.5%, or \$248,566.19 over budget.

Chemical cost increases were due to additional polymer for dewatering, increased costs and purchase of sodium hypochlorite as we eliminated the use of chlorine gas as the first phase of the commissioning the new facilities at the Messerly Plant. These items cause the overall chemical cost to be 21.7% over our budgeted projections, or \$88,350.58 more than planned.

The extra organic loading results in production of more biosolids which require disposal. In 2008, we disposed of 1,556,000 more pounds of biosolids than in 2007 while our projection was that this rate would remain relatively constant. The cost of land applying these additional solids resulted in an overage of \$273,753.28.

March 9, 2009

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Fortunately, we were able to make up for some of these costs overruns with other budget categories.

While we do not believe that most of this cost overrun could have been reasonably projected in preparing the 2008 budget, our contract does call for CH2M HILL OMI to pay 12.5% of any cost in excess of our budget for the contract year. Therefore, \$57,845.52 has been deducted from the invoice to Augusta Utility Department for cost overages for 2008. The balance of the difference in the cost overage and the invoice amount is due to AUD under spending the allocation for the Director's Allowance in the budget. These figures are all shown on the attached spreadsheet.

We have tried to anticipate all of these costs in our 2009 budget request and believe that we have captured a true assessment of the cost for operating the wastewater facilities for this year.

While cost increases are never pleasant to consider, there are several positive considerations to keep in mind. First, despite a 14% increase in loading, a 10% increase in power rates and a 21% increase in power costs, the direct cost increased just under 8% above plan for the year. Second, as our contract provides for CH2M HILL OMI to share in some of the cost savings, as well as the cost overruns, you can remain assured that we are always working diligently to control the operating cost of Augusta's wastewater facilities. And, third, the performance of the facilities continues to demonstrate the outstanding efforts and dedication of our staff to operate the existing plants to their maximum capacity without waiting for the upgrades that are currently under construction.

Please let us know if you have any questions about this reconciliation. We look forward to our continued service to the Augusta Utility Department.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Andrews', with a long horizontal flourish extending to the right.

Mark D. Andrews
CH2M HILL OMI Project Manager

Rebate/Invoice Calculation
3/5/2008

Project:
Number:

Augusta
AUGUS08

	BUDGET	ACTUAL	VARIANCE
Labor and Benefits	\$ 2,251,002.00	\$ 1,841,931.58	\$ (409,070.42)
Administrative	\$ 72,292.74	\$ 137,501.64	\$ 65,208.90
Equipment and Vehicle Expense	\$ 129,876.00	\$ 121,599.63	\$ (8,276.37)
Biosolids Application	\$ 972,000.00	\$ 1,245,753.28	\$ 273,753.28
Training	\$ 22,524.00	\$ 61,849.12	\$ 39,325.12
Materials and Supplies	\$ 104,381.00	\$ 152,505.88	\$ 48,124.88
Chemicals	\$ 407,700.00	\$ 496,050.58	\$ 88,350.58
Outside Services	\$ 148,500.00	\$ 269,791.28	\$ 121,291.28
Power	\$ 1,418,134.00	\$ 1,666,700.19	\$ 248,566.19
Repairs	\$ 324,192.00	\$ 313,117.23	\$ (11,074.77)
Miscellaneous	\$ -	\$ 6,565.49	\$ 6,565.49
	\$ 5,850,601.74	\$ 6,313,365.90	\$ 462,764.16
Overhead 12%	\$ 702,072.21	\$ 702,072.21	\$ -
Management Fee	\$ 175,518.05	\$ 175,518.05	\$ -
	\$ 877,590.26	\$ 877,590.26	\$ -
Directors Allowance	\$ 250,000.00	\$ 205,062.63	\$ (44,937.37)
Overhead 12.0%	\$ 30,000.00	\$ 24,607.52	\$ (5,392.48)
Management Fee	\$ 7,500.00	\$ 7,500.00	\$ -
	\$ 37,500.00	\$ 32,107.52	\$ (5,392.48)
TOTAL	\$ 7,015,692.00	\$ 7,428,126.30	\$ 412,434.31
Billed to Client	\$ 7,015,692.00		
CYR 09 Invoice Amount			\$ 412,434.30
Penalty for being over cost			\$ 57,845.52
Total invoice			\$ 354,588.78



**Engineering Services Committee Meeting
3/23/2009 12:45 PM
Rae's Creek Trunk Sewer Ph IV Change Order 6**

Department:

Caption: Approve the Final Change Order to the existing construction contract with W.L. Hailey and Company, Inc. to finalize bid schedule line items and approve funding to finalize construction.

Background: Rae's Creek Trunk Sewer Improvements Phase IV is a previously authorized project consisting of a gravity type sewer pipe installed along Rae's Creek from Wheeler Road to the Jackson Road area. The cost for the contract was estimated and awarded using the contractors unit prices applied to the project bid schedule. Pursuant to the terms of the contract the Utilities Department is responsible to pay the contractor for the approved installed quantities. Also included in this change order is funding to cover unforeseen conditions billed on a time and materials basis to prevent additional delays in accordance with the contract. In 2008 the Engineering Department partnered with the Utilities Department on this contract to allow improvements to the storm water management system, roadway alignment, and riding surface along Camellia Road. A portion of this change order allocates the remaining funding for the Camellia Roadway Improvements.

Analysis: Approving this change order will allow the Contractor to close out the construction of the sewer line work and the gain funding for the remainder of the Camellia Roadway Improvements construction.

Financial Impact: Funds for this request can be charged to: Utilities Department Portion \$285,079.45 funded by account number: 507043420/5425210-80260112/5425210 Engineering Department Portion: \$330,000.00 funded by account number: 327-04-1110-6011110/296812333-6011110

Alternatives: No alternatives.

Recommendation: We recommend the Commission approve Final Change Order 6 to the existing contract with W.L. Hailey and Company, Inc. in the amount of \$615,079.45.

Funds are Available in the Following Accounts: \$285,079.45 from 507043420/5425210-80260112/5425210 \$330,000.00 from 327-04-1110-6011110/296812333-6011110

Cover Memo

REVIEWED AND APPROVED BY:

Finance.
Procurement.
Law.
Administrator.
Clerk of Commission

CONSTRUCTION CONTRACT CHANGE ORDER

CO NUMBER	6
BID ITEM	07-139
DATE	2/25/2009

PROJECT TITLE Rac's Creek Trunk Sewer Improvements

ORIGINAL CONTRACT DATE 10/16/07 **PROJECT NUMBER** 60112

OWNER AUGUSTA-RICHMOND COUNTY COMMISSION **PO NUMBER** P142261

The following change is hereby made to the contract for the above project:

Description of Change (for a more detailed description see attached proposal):
This change order adds additional funds to finalize the Utilities Department's portion of the original sewer work as well as the Engineering Department's funds required to complete the reconstruction of Camellia Drive per the new design plans from Zimmerman Evans and Leopold, Inc.

PAYEE W.L. Hailey and Company, Inc.

TOTAL AMOUNT OF THIS CHANGE ORDER \$ 615,079.45

The contract time will be INCREASED by 0 calendar days as a result of this change.

ORIGINAL CONTRACT AMOUNT \$ 2,510,796.35

PREVIOUS CHANGE ORDER (INCREASE) \$ 332,897.60

THIS CHANGE ORDER (INCREASE) \$ 615,079.45

TOTAL REVISED CONTRACT AMOUNT WITH CHANGE ORDER \$ 3,458,773.40

FUNDING NUMBER/ACCOUNT NUMBER \$285,079.45 from 507043420/5425210-80260112/5425210
\$330,000.00 from 327-04-1110-6011110/296812333-6011110

PROPOSED BY:

JHL V.P. + CFO
CONTRACTOR

DATE:

2/26/09

SUBMITTED BY:

ENGINEERING DEPARTMENT HEAD

DATE:

SUBMITTED BY:

UTILITIES DEPARTMENT HEAD

DATE:

FINANCE ENDORSEMENT:

COMPTROLLER

DATE:

RECOMMENDED BY:

ADMINISTRATOR

DATE:

APPROVED BY:

MAYOR

DATE:

Change Order 6
Rae's Creek Trunk Sewer Improvements Phase IV
Camellia Roadway Improvements

Item #	Description	Item Cost
1	Final line item adjustments to bid schedule.	\$124,301.05
2	Additional costs associated with stream buffer delay, water line offset, additional paving at club and restaurant.	\$124,528.40
3	Water line offsets due to storm sewer conflicts along Camellia Road.	\$32,400.00
4	Additional Sewer Service Installation at Bass Property.	\$3,850.00
5	Additional Augusta Engineering Department funds for Camellia Road Replacement.	\$330,000.00
Total Cost		\$615,079.45