



MEMORANDUM

Resolution 23-074, A Resolution of the City Council of Homer, Alaska Approving a Task Order to RESPEC in the Not to Exceed Amount of \$100,790 for the Final Design of Renovations to the Beluga Sewage Lift Station and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. City Manager/Public Works Director.

Item Type: Backup Memorandum
Prepared For: City Council
Date: July 18, 2023
From: Janette Keiser, PE, Public Works Director/City Engineer
Through: Rob Dumouchel, City Manager

- I. **Issue:** The purpose of this Memorandum is to recommend the award a Task Order to RESPEC Company LLC (RESPEC) to provide the final design and services during construction for renovations to the Beluga Sewer Lift Station.

- II. **Background:** The Beluga Sewage Lift Station is a major piece of the City's sewer system, transporting all sewage from the Spit as well as the Lakeshore Drive/Ocean Drive neighborhoods. The mechanical/electrical components as well as the concrete structure comprising this lift station, have seriously corroded and are continuing to do so.¹ Rehabilitation is necessary to extend the useful life of this lift station and protect the neighborhoods it serves. In late 2020, the City commissioned HDL Engineering (HDL) to provide a preliminary design, which was completed in April 2021. It is now time to complete final design and develop a strategy to construct the renovations.

¹ All the sewage from the Spit flows through this lift station. In the winter flows on the Spit are substantially reduced, which means sewage sits in the pipes longer than it does in the summer. This pooling gives the sewage time to generate substantial volumes of hydrogen sulfide, a powerfully corrosive and dangerous gas. When you walk by the lift station and smell rotten eggs, you are smelling low concentrations of hydrogen sulfide. Over time, the acid has caused the concrete structure of the lift station to crack, spall and otherwise deteriorate. This is putting the structure at increasing risk of failure. Likewise, the acid adversely affects the valves, pipes, controls and other mechanical/electrical systems, decreasing their useful life.

We asked HDL and RESPEC Company LLC (RESPEC), which has a mechanical engineer in Homer, to provide proposals for the final design. HDL's estimate of the costs was \$130,485, which doesn't include surveying or services during construction, to be paid on a Time and Materials basis. RESPEC proposed to perform the final design work for the Lump Sum price of \$85,720, which includes surveying. They also offered to provide services during construction at an estimated cost of \$15,070, to be paid on a Time and Materials basis, bringing the total value of RESPEC's proposal to \$100,790. We do not award engineering service contracts on the basis of price alone, but consider other factors. In this case, we consider both firms to be equally technically qualified and the cost difference is substantial. Further, it's been very beneficial and economical to have local mechanical engineering talent. We've been working with RESPEC for over a year on various projects related to the Homer's water and waste water systems. The company's immediate responsiveness has saved our bacon on multiple occasions. While HDL is responsive, they need to come from Anchorage to check out a problem, which costs more money and takes more time. We recommend award of the task order for this work to RESPEC.

The April 2021 estimated cost to complete the project was \$915,883. The project is listed on the Alaska Department of Environmental Conservation's FY24 Intended Use Plan for Clean Water State Revolving Loan Funds in the amount of \$2,937,358 and we qualify for a Principal Forgiveness Subsidy in the amount of \$500,000. Once final design had been completed and we have an updated cost estimate, we will come back to Council with recommendations for a funding plan.

III. RECOMMENDATION: That the City Council award a Task Order to RESPEC in the Not To Exceed amount of \$100,790.