



July 2, 2024

City of Rochester Hills
1000 Rochester Hills Drive
Rochester Hills, MI 48309

Attn: Ms. Tracey A. Balint, P.E., Public Utilities Engineering Manager

Re: Amendment to Professional Engineering Services Contract for
DWAM Grant Project Administration

HRC Job No. 20201032

Dear Ms. Balint:

In November of 2021, the City of Rochester Hills was awarded a Drinking Water Asset Management (DWAM) Grant in the amount of \$707,180. The tasks under this DWAM Grant were broken down as follows;

- Distribution System Materials Inventory (DSMI) Service Line Verifications (\$413,180.00)
- Asset Management Planning (AMP) (\$294,000.00)
 - Large Valve Inspections (\$65,820.00)
 - Pipeline Integrity Assessment (\$31,500)
 - Pipeline Condition Assessment (\$121,580.00)
 - Asset Inventory Updates (\$75,000.00)

HRC's approved budget to administer this DWAM Grant for the City is \$172,180.00 based on our November 22, 2021 proposal. As witnessed through the management of the DSMI task, the resident participation and engagement process was much more time-consuming than originally anticipated. Over 1,100 service line verifications requests were sent out to secure the 379 service line verifications needed to satisfy EGLE requirements. In addition, EGLE changed procurement requirements of the DWAM Grant for all Asset Management Planning tasks after the Grant Applications (and budget per task) were submitted. These updated procurement policies required much more stringent guidelines for securing contractors to perform the Large Valve Inspection and Pipeline Condition Assessment work. In addition, HRC's original proposal for the DWAM Grant administration included utilizing a subconsultant to perform the Pipeline Integrity Assessment. After review of the Pipeline Integrity Assessment work provided by subconsultants through other DWAM grants HRC is administering, HRC's own asset management expertise and HRC's familiarity with the City of Rochester Hills' water system, we feel that the Pipeline Integrity Assessment would be better completed by HRC's own forces.

As such, HRC requests that the City of Rochester Hills consider an amendment to HRC's base DWAM Grant administration budget in the amount of \$144,796.00 (for a total budget of \$316,976.00). The intent of this request is to shift money within the Grant amount, take advantage of lower than budgeted contractor costs and keep total project costs within the current total Grant amount.

The budget amendments are requested as follows;

DSMI Costs

Approved HRC Budget: \$133,180.00

Estimated Contractor Costs: \$280,000.00

Total Task Budget under Grant: \$413,180.00

Proposed HRC Budget: \$171,476.00

Actual Contractor Costs: \$241,704.00

Total Task Budget: \$413,180.00

Additional Budget Amount Requested: \$38,296.00

Pipeline Integrity Assessment Costs

Approved HRC Budget: \$0.00
Estimated Subconsultant Costs: \$31,500.00
Total Task Budget under Grant: \$31,500.00

Proposed HRC Budget: \$31,500.00
Actual Subconsultant Costs: \$0.00
Total Task Budget: \$31,500.00

Additional Budget Amount Requested: \$31,500.00

Additionally, an increased budget for the administration of the Large Valve Inspection and Pipeline Condition Assessment work is requested, due to the revised procurement needs of the Grant. The Asset Inventory Update portion of the DWAM Grant (\$75,000.00) is not currently planned to be used. We are planning to discuss the task-to-task transfer of funds within the AMP work scope of the Grant with EGLE to see if the City can utilize the unused budget in one AMP work task to cover the administration work in other AMP work tasks. The **Additional Budget Amount Requested** for the additional administration of the Large Valve Inspection and Pipeline Condition Assessment work is **\$75,000.00**.

If EGLE is unwilling to approve a task-to-task transfer of funds within the Grant, the additional \$75,000.00 budget request will need to be paid for by the City.

Total HRC budget increase request is \$144,796.00, with potentially \$75,000.00 not being covered by the grant.

We thank you in advance for considering this requested engineering services amendment. We feel that the changes from the anticipated scope were unforeseen while others were proactive decisions discussed with the City in order to better meet the desired expectations of the project and provide long-term benefits to the water system. Should you have any questions, or require additional information, please contact this office at (248) 454-6300.

Very truly yours,

HUBBELL, ROTH & CLARK, INC.



Bradley Shepler, P.E., CCCA, LEED AP
Senior Associate

pc: Rochester Hills; B. Fritz, L. Luedeman
HRC; D, Mitchell, B. Clarke, File

Recommended by:
CITY OF ROCHESTER HILLS

Tracey Balint, P.E., Public Utilities Engineering Manager Date: _____

Approved by:
CITY OF ROCHESTER HILLS

Bryan K. Barnett, Mayor Date: _____