

COUNCIL COMMUNICATION

From: The City Manager

Subject: Tetra Tech Engineering Services Agreement

Manager's Recommendation:

I recommend that the Agreement with Tetra Tech be approved and issuance of a purchase order to them in an amount not to exceed \$31,200.00 for engineering design and \$48,700.00 for construction engineering and programming. The total amount of the Agreement will not exceed \$79,900.00. The Agreement is approved by me as to substance by the City Manager and the City Attorney as to form.

This vendor meets all requirements of §14.23, "Vendors", of "Purchasing, Contracting, and Selling Procedure," of Chapter 14, "Finance and Purchasing, of "Title 1, "General Provisions" of the Saginaw Code of Ordinances O-1.

The funds are available in the Sewer Surplus Capital Repairs & Replacement Account, No. 590-4840-881-9720

Justification:

The City's Wastewater Treatment Plant is nearly 60 years of age. The secondary treatment portion of the plant is nearly 40 years old. The recent construction project at the plant upgraded and refurbished the oldest parts of the plant and replaced some of the original equipment from the 1950's. Tetra Tech has submitted an Agreement to design and construct an instrumentation and control system for the project. The proposed project addresses replacing the mechanical aerators with new mechanical equipment and technology, adding variable frequency drives for the new aerators and dissolved oxygen probes to make them more efficient.

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This project is eligible for funding consideration under President Obama's American Recovery and Reinvestment Act (ARRA) stimulus package. The funding is administered through the Clean Water State Revolving Fund (CWSRF). The Michigan Department of Environmental Quality (MDEQ) accepts project plans and proposals for the CWSRF on a very rigid quarterly schedule. To qualify for the ARRA stimulus money, the project design must be completed and submitted to the MDEQ for first quarter approval by October 16, 2009. Stimulus funds are only available in the first quarter financing schedule. To promote use of stimulus of funds, ARRA has authorized up to forty percent (40%) principle forgiveness of the CWSRF loan. On this project, the principle forgiveness could save the City of Saginaw more than one and one half million dollars (\$1,500,000.00).

Council Action:

Council _____ moved that the recommendation of the City Manager be approved.