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**DEPARTMENT OF PUBLIC WORKS - Engineering Division  
MEMO**

TO: Finance Committee  
FROM: Danielle Block, Director of Public Works  
Pete Neuberger, Deputy Director of Public Works / City Engineer  
SUBJECT: Contract Award - Unit W-24 Sewer and Water Reconstruction No.1  
DATE: January 22, 2024

The Department of Public Works (DPW) Engineering Division has opened bids for Unit W-24, one of its large utility reconstruction projects for 2024. This project is funded through a combination of water utility, wastewater utility, and stormwater utility capital construction accounts. After reviewing the bids, DPW staff have determined that the bid amounts for the sanitary sewer portion of the work as bid would exceed the approved budget allocation under wastewater capital account 5431 by \$293,775.22, after allowing for other 2024 utility projects yet to be bid in 2024.

To correct the anticipated funding shortage in account 5431, DPW staff are proposing to reduce and reallocate account 5431 expenses in the 2024 budget as follows:

- Delay W-24 utility reconstruction in Durkee Street (Circle Street to north) until 2025.
- Use 2024 Consulting Services funds identified as “Glacier Ridge Lift Station Abandonment” for W-24
- Use 2024 Consulting Services Funds identified for “Lawe St – South Island St Force Main” for W-24

A discussion of the impacts of these revisions follows:

**Delay Durkee Street Utility Reconstruction into 2025**

This item would delay the planned sewer and water reconstruction in the 1600 North block of Durkee Street adjacent to Einstein Middle School from 2024 until 2025. It would also delay the abandonment of the existing sanitary sewer under Einstein Middle School from 2024 until 2025. DPW Staff have determined that the risk of failure of the existing infrastructure is very unlikely to increase significantly if its service life is extended by one more year. Additionally, after 2024 budget development, DPW staff determined that the reconstruction of the 1600 block of Durkee Street sanitary sewer would provide the best opportunity in the near future to address concerns with condition of the sanitary sewer in the 1500 block of Durkee Street and will use this as an opportunity reconstruct the sanitary sewer in both blocks at the same time in 2025. This is expected to provide better economy of scale and less disruption to local residents and users. 2024 expense reductions, by account, would be:

5431 (Wastewater Capital)	(\$95,664.66)
5371 (Water Capital)	(\$202,118.15)

**Use “Glacier Ridge Lift Station Abandonment” 2024 Consulting Services Funds for W-24 Work**

The current budget item is for \$100,000. It was requested as a placeholder to be used in case the Glacier Ridge Lift Station Abandonment project, currently planned for 2025 construction, would require trenchless installation methods with consultant design assistance. Since the time of 2024 budget development, DPW staff have determined that the project is likely to move forward only once a feasible route involving less expensive open cut construction methods is secured. Therefore, this change is anticipated to have no effect on the Glacier Ridge Lift Station abandonment project, and it will allow the remaining work proposed under W-24 to move forward on schedule.

**Use “Lawe St – South Island Street Force Main” 2024 Consulting Services Funds for W-24 Work**

The current budget item is for \$100,000 for consultant design on the planned 2025 relay/liner of the existing sanitary force main under the Fox River, which is nearing the end of its design service life. This line item was initially budgeted in 2022 and was carried over into 2023. This 2024 budget request was a re-budget request made to avoid requesting a second consecutive year of carry over, from 2023 into 2024. DPW staff now intend to include this item in the 2023 carry over request list, so that the 2024 re-budgeted funds can be applied to the W-24 project. Therefore, this change is anticipated to have no effect on the force main or other projects, and it will allow the remaining work proposed under W-24 to move forward on schedule.

DPW staff have also determined that the bid amounts for the stormwater portion of the work would exceed the approved budget allocation under Project W-24 account 5230 by \$260,773.53. To allow the remaining W-24 work to move forward on schedule, DPW proposes to re-allocate 2024 positive bid variance from the H-23 Project to W-24, in the amount of \$260,773.53.

**Financial Summary of Proposed Changes by Account**

The chart below identifies the account fund balances anticipated to result from the project changes if approved:

<u>Account</u>	<u>Bid+Contingency</u>	<u>Budget</u>	<u>Balance As-Bid</u>	<u>Balance w/Changes</u>
Sanitary (5431)	\$1,396,284.22	\$1,102,509.00	(\$293,775.22)	\$1,889.44
Water (5371)	\$593,707.72	\$669,945.00	\$76,237.28	\$278,355.43
Storm (5230)	\$1,297,785.83	\$1,037,012.00	(\$260,773.53)	\$0.00