



Legislation Details (With Text)

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Title: Consider recommending approval of an ordinance of the City of Denton, Texas authorizing the City Manager to execute a First Amendment to a professional Services Agreement by and between the City of Denton, Texas and Teague Nall and Perkins, Inc., for engineering and surveying services relating to the Denton Municipal Electric Capital Improvement Plan; authorizing the expenditure of funds therefor; providing an effective date (File 5306 in the additional amount not-to-exceed \$4,360,000; aggregating a total not-to-exceed \$8,520,000).

Sponsors:

Indexes:

Code sections:

Attachments: 1. 1. TNP PSA for DME - 5306-Award Ordinance Pricing, 2. 2. TNP Project Data Summary, 3. 3. Proposal from TNP - 2017 Amendment, 4. 4. CIP Project Map, 5. 5. Proposed Amendment

| Date | Ver. | Action By | Action | Result |
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Agenda Information Sheet

DEPARTMENT: Denton Municipal Electric

CM/ ACM: Todd Hileman, City Manager

Date: March 27, 2017

SUBJECT

Consider recommending approval of an ordinance of the City of Denton, Texas authorizing the City Manager to execute a First Amendment to a professional Services Agreement by and between the City of Denton, Texas and Teague Nall and Perkins, Inc., for engineering and surveying services relating to the Denton Municipal Electric Capital Improvement Plan; authorizing the expenditure of funds therefor; providing an effective date (File 5306 in the additional amount not-to-exceed \$4,360,000; aggregating a total not-to-exceed \$8,520,000).

BACKGROUND

Denton Municipal Electric (DME) received approval for a Professional Services Agreement (PSA) for engineering and surveying services with Teague Nall and Perkins, Inc. (TNP), on August 6, 2013 with a not-to-exceed amount of \$4,160,000. The contract was obtained to provide DME with engineering and surveying services to aid in development, design, and field support for approved Capital Improvement Plan projects. Exhibit 1 is a copy of the approved agreement. Funds appropriated for that agreement have almost been expended. Exhibit 2 is a summary of payments for work that has been provided and work remaining for the CIP. Exhibit 3 is a proposal solicited from TNP to increase the amount of funding for the contract and continue providing services under the same terms and conditions included in the original agreement with the intent of completing all projects contained in the CIP at this time.

By way of clarification, this PSA is not connected with the Denton Energy Center (DEC), and no work has been charged, nor will be charged, to the contract for services related to the DEC. The new Jim Christal Substation is a DME CIP project. The access drive into the new substation and power plant will be shared by DME and the DEC for access to their respective facilities. Costs for surveying, design, and field support for this drive were shared by DME and DEC. Only cost for the DME substation portion was charged to the TNP contract.

The following is a brief summary of the types of project development, design, surveying, permitting, field support and other services that TNP has provided under the contract:

- Surveys for land and easement acquisitions
- Surveys to locate existing facilities where information is needed inside existing substations and particularly as it relates to development of designs for transmission lines
- Topographical surveys for substation sites and transmission line routes
- Site conceptual grading plans and cost estimates and final site grading plans and cost estimates
- Site survey monument installation
- Alta surveys for substation site purchases
- Deed sketches for transmission line routes
- Applications and required documentation for submission of all City of Denton permits, TxDOT crossing permits, railroad crossing permits, demolition permits, and any other permit or related documents that are required as parts of the approval processes
- Construction staking for certain substation facilities and for transmission line pole installation
- Grade staking and electronic files for up load into grading equipment GPS automated grading systems
- Subsurface utility locations or verifications including hydrovac excavations where utilities could not be otherwise safely located for pole installations
- Construction verification (primarily grade and foundation construction verifications)
- Feasibility studies for site selection efforts (what would be required to make a site work, including public improvements, and what would be the estimated cost?)
- Represent DME in public and official meetings and during coordination with other agencies in support of permits, governmental requirements, and land and easement acquisitions
- Obtain asbestos surveys, related permits, and remediation (required for demolition permits)
- Flood plain studies
- Public improvement designs and construction procurement support
- Serve as DME's professional representative in any capacities needed for project development, design, or construction support

With a 2017 transmission and substation CIP budget of approximately \$272,000,000, it will continue to be necessary for DME to utilize consulting engineers extensively for project development activities, designs, assistance with procurement actions, assistance with certain aspects of construction management, field support, and for construction inspection. Almost all substation and transmission line projects in the CIP will require surveying. Procurement of land and easements and permitting have been major resource consumers under the

TNP contract. These efforts are a significant reason that the funds have been expended sooner than originally projected. Substation projects that require land acquisition will require services for platting, permitting, civil site design and field support. It is not reasonable or practical for DME to have staff in the numbers required to perform the work and to cover the broad range of disciplines necessary to address all aspects of the CIP projects. Using outside engineering resources is an efficient and reasonable method for obtaining the temporary and wide range of specialized services needed.

Transmission line routing, site selection, and preliminary engineering design are the first activities that must be completed for transmission line projects and for substation projects that utilize new land areas. The surveys are the beginning points for the land and easement acquisition processes. Surveys are also necessary to finalize designs and to develop documentation for permitting and platting. Land or easement acquisition delays will extend project schedules. For substation site selection, three or four location options per project have normally been required. These options must be fully evaluated and proven to be viable. Cost estimates and analyses must be completed for each option to allow comparison. At this time, site selections have been completed for all but two substation projects. This could change with new requirements or with failure to reach agreement with land owners for sites that have been selected but not purchased. The status of current projects has been factored into estimated costs for extending the contract.

DME proposes to amend the contract with TNP to support the site identification, land and easement procurement, and project development and design processes for substations and transmission lines. Extensive surveying is required for route selection, easement surveys, gathering topographic and obstruction information along the route, preparing a proposed centerline drawing, precisely determining the final centerline, providing survey data to the line designer, submitting crossing permits, for construction staking, and for post construction as-built documentation, this final item being required for NERC compliance.

TNP has extensive project experience in working with City of Denton planning and permitting departments. TNP's has been very successful all aspects of the work assigned to them, and their performance in these types of activities for CIP projects has been timely and has demonstrated the firm's professionalism and responsiveness for the needs of DME projects. They are local and possess almost all the needed resources and disciplines needed in-house. TNP can provide the experience and manpower to effectively accomplish the surveying and civil engineering requirements for DME's CIP projects.

TNP's work success is a major factor in proposing to continue working with them, but there are other compelling reasons as well. Reference to Exhibit 2 will reveal the extensive amount of work that TNP has begun under this contract for projects that are not complete. Exhibit 2 also includes a listing of projects that have been completed with surveying and engineering support from TNP. The right-hand column of Exhibit 2 is a summary list of major projects remaining in the CIP that will require TNP support. If the design responsibility for any project, or part of a project, that was started by TNP is assigned to another engineering or surveying group, every aspect of the surveys, designs, and preliminary information that has been gathered would have to be verified before any other engineering firm could professionally seal the designs. The TEXAS ENGINEERING PRACTICE ACT AND RULES CONCERNING THE PRACTICE OF ENGINEERING AND PROFESSIONAL ENGINEERING LICENSURE requirements state:

§137.33 Sealing Procedures

(a) The purpose of the engineer's seal is to assure the user of the engineering product that the work has been performed or directly supervised by the professional engineer named and to delineate the scope of the engineer's work.

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(b) License holders shall only seal work done by them, performed under their direct supervision as defined in §131.81 of this title, relating to Definitions, or shall be standards or general guideline

specifications that they have reviewed and selected. Upon sealing, engineers take full professional responsibility for that work.

Changing engineering consultants after significant work on any project has been accomplished would add significant time and cost to the project. Because TNP has been successful in working on DME projects, DME recommends amending the contract to allow the TNP to continue providing services.

The amount proposed for the increase in this contract was arrived at by estimating the work needed for completion of the CIP, as it is currently structured, taking into account the work that has already been provided for projects that are not complete. Hourly rates and historical experience for similar work have been used to arrive at credible estimates. The amount proposed for the amendment is the best estimate at this time and has been based on the projects and activities that DME believes will be undertaken in accordance with the CIP and also recognizes the status of projects for which engineering or surveying has already begun. As with any design effort, it is not possible to predict the exact need; therefore, a contingency amount has been included that is intended to cover needed design items that cannot be predicted at this point. Changes in priorities, unforeseen requirements, or changes in approved projects could alter the projects undertaken and engineering support required.

Exhibit 4 is a map of the DME system area that shows substation locations and transmission lines that exist and are proposed in the CIP. Transmission line may be identified by locating the endpoint substations. Exhibit 5 contains the proposed amendment.

The contract has been structured to be billed on an hourly basis for services rendered. The contract **does not** obligate DME to make **any** minimum expenditure and does not require DME to use the full amount of the contract. DME and will only assign work that is actually necessary to complete approved projects.

OPTIONS

1. Recommend approval of an amendment to the Professional Services Agreement with Teague Nall and Perkins, Inc., that authorizes an increase in the contract not-to-exceed amount of \$4,360,000 (increases the total not-to-exceed amount to \$8,520,000).
2. Not recommend approval of an amendment to the Professional Services Agreement with Teague Nall and Perkins, Inc., and direct that other actions be taken to obtain the required services.

RECOMMENDATION

DME recommends approval of the proposed amendment to the contract with Teague Nall and Perkins, Inc., that authorizes an increase in the not-to-exceed amount of \$4,360,000 (increases the total not-to-exceed amount to \$8,520,000).

ESTIMATED SCHEDULE OF PROJECT

Project efforts will begin immediately upon approval by the City Council.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

There has been no prior action related to this proposed amendment. The original PSA was approved August 6, 2013. The information in the contract is consistent with project information detailed in the CIP and Annual Budget.

FISCAL INFORMATION

The charges for work under this amendment to the contract will not exceed an additional \$4,360,000 and will be funded out of amounts budgeted for specific projects. A significant amount the work proposed will be in the transmission category. Transmission costs for projects will ultimately be recovered through the Public Utility Commission transmission cost of service program (TCOS).

BID INFORMATION

Texas statutory law provides that procurements for professional services are made in accordance with the "Professional Services Procurement Act" (professional services may not be bid). The provisions of Texas Local Government Code, Section 252,022(a)(4) provide that procurements for professional services are exempt from the requirements of competitive bidding.

STRATEGIC PLAN RELATIONSHIP

The City of Denton's Strategic Plan is an action-oriented road map that will help the City achieve its vision. The foundation for the plan is the five long-term Key Focus Areas (KFA): Organizational Excellence; Public Infrastructure; Economic Development; Safe, Livable, and Family-Friendly Community; and Sustainability and Environmental Stewardship. While individual items may support multiple KFAs, this specific City Council agenda item contributes most directly to the following KFA and goal:

Related Key Focus Area: **Public Infrastructure**

Related Goal: **2.5 Develop Capital Improvement Program (CIP) based on community needs**

EXHIBITS

1. Original Professional Services Agreement - Aug 6, 2013
2. Summary of DME CIP Projects and Payments to Teague Nall & Perkins
3. Proposal from TNP
4. Map - Locations of CIP Projects
5. Proposed Amendment

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