

From: [Bill Reynolds](#)
To: [Lori Hensen](#)
Subject: FW: Additional Agenda Questions/Concerns and bonding Power Point
Date: Wednesday, March 16, 2022 3:45:30 PM
Attachments: [image001.png](#)
[image002.png](#)

Lori,

Here is the email that Councilor Lehman wanted attached to item 5D6 – the L16 rehab project. Can you please have it as part of the record?

Thanks

Bill

William H. Reynolds ICMA-CM

City Administrator, City of Shakopee

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From: Bill Reynolds
Sent: Monday, March 14, 2022 3:18 PM
To: CouncilMembers <CouncilMembers@ShakopeeMN.gov>
Cc: William.Mars <William.Mars@target.com>
Subject: Additional Agenda Questions/Concerns and bonding Power Point

Dear Members of Council,

Wanted to relay some more information and address a concern raised by the Consent Agenda.

First, please find attached the power point for the bonding proposal (Item 11A1).

Second, there was a concern with the Engineering/Admin/Legal costs for Item 5D6 – L16 Rehab. At 22% of the budget it appears to be high. However, when you break it down it is in the ballpark of 20%-25% for a project of this complexity and scope. Steve points out the details below.

Below is the budget for Engineering/Admin/Legal that amounts to \$448k for the L16 project:

Feasibility (L16)	\$	55,035
Design and Construction (L16)	\$	290,000
Feasibility (SCADA)	\$	23,500
Design (SCADA)	\$	54,300
Internal	\$	25,000
ELA	\$	447,835.00

Based on the construction + contingency amounts, it is about 22% for Eng/Admin/Legal which is in line with a project of this nature.

A few items that play into the \$448k:

- We had a standalone SCADA project, bid it out, rejected the bids, then combined it into the L16 project*
- The feasibility study was a total evaluation of the L16, which is a bit more complex than the typical project, and included SCADA, pumps, electrical controls, HVAC, building, coatings on the inside of the lift station on the piping and wet wells, etc. – Quite a few different lines of work and specialties to deliver a project of this nature.*

We've ordered and installed the grinder pump and a one of the pumps already due to failures the past couple of years. We've ordered a couple of pumps in advance before expected price increases. There were also a couple of environmental building evaluations that were done to demo the old lift station building.

In addition, there was a question as to whether staff had looked into using Federal ARA (COVID) funds for this project. We did to a degree but it became apparent quickly that it would not gain us anything since the project funding was already in place. It would just be a transfer. Please remember that the discussion for the ARA funds was started recognizing these funds give us the opportunity to do things we couldn't previously because of a lack of money to pay for them. In addition, we would have to use prevailing wages (union wages) per Federal rules which would make the project more expensive.

Third, there was concern regarding Consent Agenda Items in general. The councilperson noted that they felt if *"a project is a major investment and is a project that has an impact on the way that this City operates in the future, it should be on the regular agenda. Not only should our Community be made aware of the project, but should understand that the City Council is cognizant of the details when making a decision."*

Normally, a consent agenda is used for items that are routine, non-controversial, that deal with issues that have previously been reviewed in detail, or are contracts/purchases/issues that fall within the budget and policy parameters set by Council and law. By city code, my responsibility is to prepare the agenda for each meeting. I make the determination on what falls to the consent agenda after reviewing the item with staff in our weekly staff meetings and use the above to guide those decisions. Per Robert's Rules, any consent agenda item can be removed by any councilperson – which provides that opportunity for a closer review if required or desired. I believe this achieves the balance between efficiency and transparency.

In the case of the L16/SCADA project, both have been to council previously (individually) and discussed to a great degree. The projects have also been a part of our discussions on the Capital Improvement Program budgets. And the part of the process we are looking at this week is the approval of the contract – a very routine procedure after the plans and specifications had been approved and the decision was to go out for bids. The only real question at this point is do we approve the contract or not. I do not believe this is a controversial decision, but regardless anyone

can pull it from the consent agenda for a more in-depth discussion of that issue if desired. We do have in depth discussions on major projects, but normally those discussions are much earlier in the process – as happened in this case. Again, anyone should feel comfortable removing any issue from consent for any reason. Staff does appreciate knowing that will occur so we can be ready to answer any questions.

My best,
Bill

William H. Reynolds ICMA-CM

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