



**DESIGN SOUTH
PROFESSIONALS, INC.**

engineers architects planners

'27 YEARS OF RESPONSIVE SERVICE'

October 7, 2016

Mr. Richard E. Cotton
City Administrator
City of Clemson
1250-1 Tiger Boulevard
Clemson, South Carolina 29631

Re: ***Modification to Agreement
Cochran Road WWTP Expansion
Project No. 1206***

Dear Rick:

With twelve (12) major development projects coming on line in the next two years resulting in actual flows approaching DHEC's trigger point for adding capacity, we would like to proceed with the final design phase for expansion of the Cochran Road Wastewater Treatment Plant (WWTP) to 2.0 MGD.

WWTP improvements will include new influent headworks with mechanically cleaned screens and grit removal, a new influent pump station, EQ basin upgrades, treatment process conversion and expansion with membrane bioreactors (MBR), new UV and post aeration facilities, a new effluent pump station, a new sludge MBT system, related process piping and site improvements, instrumentation and controls upgrades, and a standby power addition. Based on our September 15th meeting, it was decided that the installation of a new parallel effluent forcemain would be postponed by up to 5 years. All of these listed improvements, as more specifically described in the *Preliminary Engineering Report* dated August 2012, will constitute the "Project."

Since the project is now well defined by the PER, we propose a lump sum fee of nine hundred ninety-three thousand seven hundred dollars (\$993,700) or nine percent (9.0%) of construction cost (whichever is the greater sum) for our remaining basic services and offer the following fee breakdown by phase for your consideration:

<u>Phase</u>	<u>Fee</u>
Final Design	\$720,000
Bidding Assistance	44,700
Construction Administration	<u>229,000</u>
Total =	\$993,700

Enclosed is our "Manhour and Budget Estimate" for your review which details our proposed activities and anticipated level of effort for each project phase.

Additional or non-basic services will be charged on the basis of payroll costs times a factor of 2.5. Additional services may include providing assistance in obtaining project funding and possible grant support, coordination of site surveying and subsurface investigation services, special permitting to include stormwater and wetlands, and other related project support activities subject to your authorization.

Reimbursable expenses such as travel, lodging and subsistence, reproduction, postage and handling, and long distance communications will be billed at cost. CADD and computer time will be billed at \$20 per hour. Expenses are estimated at \$48,000 for the remaining basic services. Professional fees and reimbursable expenses will be invoiced monthly based upon our progress of work and expenses incurred. Payment will be considered due upon receipt of invoices.

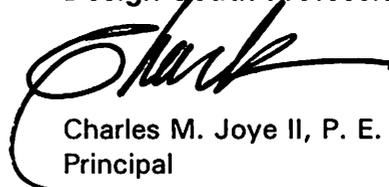
All remaining terms and conditions of our Agreement dated February 21, 2012 remain in full force and effect. We expect to start the next phase promptly after receipt of your acceptance of this agreement modification and will endeavor to complete the final design phase within nine (9) months following receipt of the existing facilities survey. If this fee modification meets with your approval, please sign the enclosed copy of this letter in the space provided below and return for our records.

We appreciate this opportunity of responding to your needs and look forward to our continued involvement with you and your staff in making these critical infrastructure improvements for plant expansion. Should you have any questions or concerns, please do not hesitate to contact us.

With kind regards, I am

Sincerely yours,

Design South Professionals, Inc.



Charles M. Joye II, P. E.
Principal

Accepted this _____ day of _____, 2016

City of Clemson

By: _____

Title: _____

CMJ:psh
Enclosures





DESIGN SOUTH PROFESSIONALS, INC.

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'27 YEARS OF RESPONSIVE SERVICE'

MAN HOUR AND BUDGET ESTIMATE

Subject: **Final Design, Bidding, and Construction Administration Services**

Project: Cochran Road WWTP Expansion

For: City of Clemson, South Carolina

Project No.: 1206

Date: October 7, 2016

I. MANHOUR ESTIMATES BY TASK

Final Design Phase: Services to include providing general consultation and advice, conducting kickoff meeting and two (2) progress meetings, further review of existing conditions, develop a surveyor scope of services for conducting an existing facilities survey, establishing final design criteria, selection of major equipment and materials, preparation of construction drawings and technical specifications, quality control review of design documents, preparation of an updated opinion of probable project cost, and preparing a SCDHEC construction application package for submittal and approval.

Principal	248 hrs.	@	\$195/hr.	\$ 48,360
Engineer	3,288 hrs.	@	\$145/hr.	476,760
CAD Technician	2,048 hrs.	@	\$85/hr.	174,080
Clerical	320 hrs.	@	\$65/hr.	<u>20,800</u>
				\$720,000

Bidding Phase: Services to include assembly of contract documents, assisting Owner in obtaining bids, conducting a prebid meeting, addressing technical questions raised by prospective bidders and suppliers, issuance of all instructions and addenda, assisting in the bid opening, and recommendation of contract award.

Principal	32 hrs.	@	\$195/hr.	\$ 6,240
Engineer	228 hrs.	@	\$145/hr.	33,060
Clerical	82 hrs.	@	\$65/hr.	<u>5,330</u>
				\$ 44,630

Construction Phase: Services to include general consultation and advice regarding construction activities, conducting a preconstruction conference, making fifteen (15) monthly site visits (6 hours per visit) to include conducting a progress meeting with the contractor, preparing monthly meeting minutes and progress reports, review and approval of shop drawings and samples, providing technical interpretations and clarifications to the contractor, review of payment requests, conducting final inspections for substantial completion, and assist with obtaining a SCDHEC Permit to Operate. The manhours below are based on a total construction period of sixteen (16) months and project closeout within eighteen (18) months.

Principal	144 hrs.	@	\$195/hr.		\$ 28,080
Engineer	1,332 hrs.	@	\$145/hr.		193,140
Clerical	120 hrs.	@	\$65/hr.		<u>7,800</u>
					\$229,020

II. BUDGET ESTIMATE BY COST CATEGORY

A. Professional Fee Calculations

Principal	424 hrs.	@	\$195/hr.	=	\$ 82,680
Engineer	4,848 hrs.	@	\$145/hr.	=	702,960
CAD Technician	2,048 hrs.	@	\$85/hr.	=	174,080
Clerical	522 hrs.	@	\$65/hr.	=	<u>33,930</u>
					\$993,650

[Note: The engineer rate above represents a senior engineer, project engineer and staff engineer composite rate for simplicity purposes.]

B. Reimbursable Expenses

Travel.....	\$..2,000
CADD and Computer Time	36,000
Reproduction	6,500
Postage and Handling	2,400
Telephone	<u>900</u>
	\$ 47,800



RESOLUTION NO. ____

RELATING TO THE DECLARATION OF INTENT BY THE CITY OF CLEMSON, SOUTH CAROLINA, TO REIMBURSE CERTAIN EXPENDITURES MADE PRIOR TO THE ISSUANCE OF FEDERALLY TAX-EXEMPT WATER AND SEWER SYSTEM REVENUE BONDS OR OTHER OBLIGATIONS BY THE CITY.

WHEREAS, the Internal Revenue Service and U.S. Treasury Department have promulgated Section 1.150-2 of the Treasury Regulations (the "Regulations") that authorizes an issuer to reimburse itself for expenditures made with respect to projects prior to the issuance of tax-exempt obligations for such projects; and

WHEREAS, the Regulations require that the governing body of the political subdivision declare an official intent to reimburse an expenditure not later than sixty (60) days after the payment of the expenditure; and

WHEREAS, the City of Clemson, South Carolina (the "City"), anticipates incurring certain expenditures in an approximate amount of \$1,200,000 (the "Expenditures") with respect to costs of architectural and engineer services for the design and construction of the expansion and improvement of the City's Cochran Road Wastewater Treatment Plant (the "Project"), prior to the issuance of water and sewer system revenue bonds or other obligations by the City for such purpose; and

NOW, THEREFORE, BE IT RESOLVED, by the City Council (the "Council") of the City:

Section 1. The Council hereby declares that this Resolution shall constitute its declaration of official intent pursuant to Regulation § 1.150-2 to reimburse the City from the proceeds of federally tax-exempt obligation in the form of water and sewer system revenue bonds of the City, or other form of tax-exempt financing approved by City ordinance, for the Project.

Section 2. The City understands that Expenditures which may be reimbursed are limited to Expenditures which are (a) properly chargeable to a capital account (or would be so chargeable with a proper election or with the application of the definition of placed in service under Regulation §1-150-2) under general federal income tax principles; or (b) certain de minimis or preliminary expenditures satisfying the requirements of Regulation §1.150-2(f).

Section 3. The source of funds for the Expenditures with respect to the Project will be revenues of the City's water and sewer system, or other available funds.

Section 4. To be eligible for reimbursement of the Expenditures, the reimbursement allocation must be made not later than 18 months after the later of (a) the date on which the Expenditures were paid, or (b) the date the Project was placed in service, but in no event more than three (3) years after the original Expenditures.

Section 5. This Resolution shall be in full force and effect from and after its adoption as provided by law. This Resolution shall be made available for inspection during normal business hours by the general public at the office of the City.

[Execution Page Follows]

Adopted by the City Council of the City of Clemson, South Carolina, this ___ day of October, 2016.

CITY OF CLEMSON, SOUTH CAROLINA

Mayor

(SEAL)

ATTEST:

City Administrator