



# CITY OF LA CROSSE UTILITIES

## WATER - SEWER - STORM

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## MEMORANDUM

**To: Board of Public Works**  
**From: Bernard Lenz, Utilities Manager**  
**Date: 4-26-2021**  
**Subject: WWTP 2021 Upgrades: Construction Management Contract**

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The City of La Crosse sent out a Request for Qualification for the design of the City's Wastewater Treatment Plant Improvement Project in February of 2020 (#20-0214). Firms were evaluated by a team of staff from the Utility and Engineering Departments. Donohue was selected and resolution 20-0474 in April of 2020 authorized hiring Donohue as the design consultant for the Project.

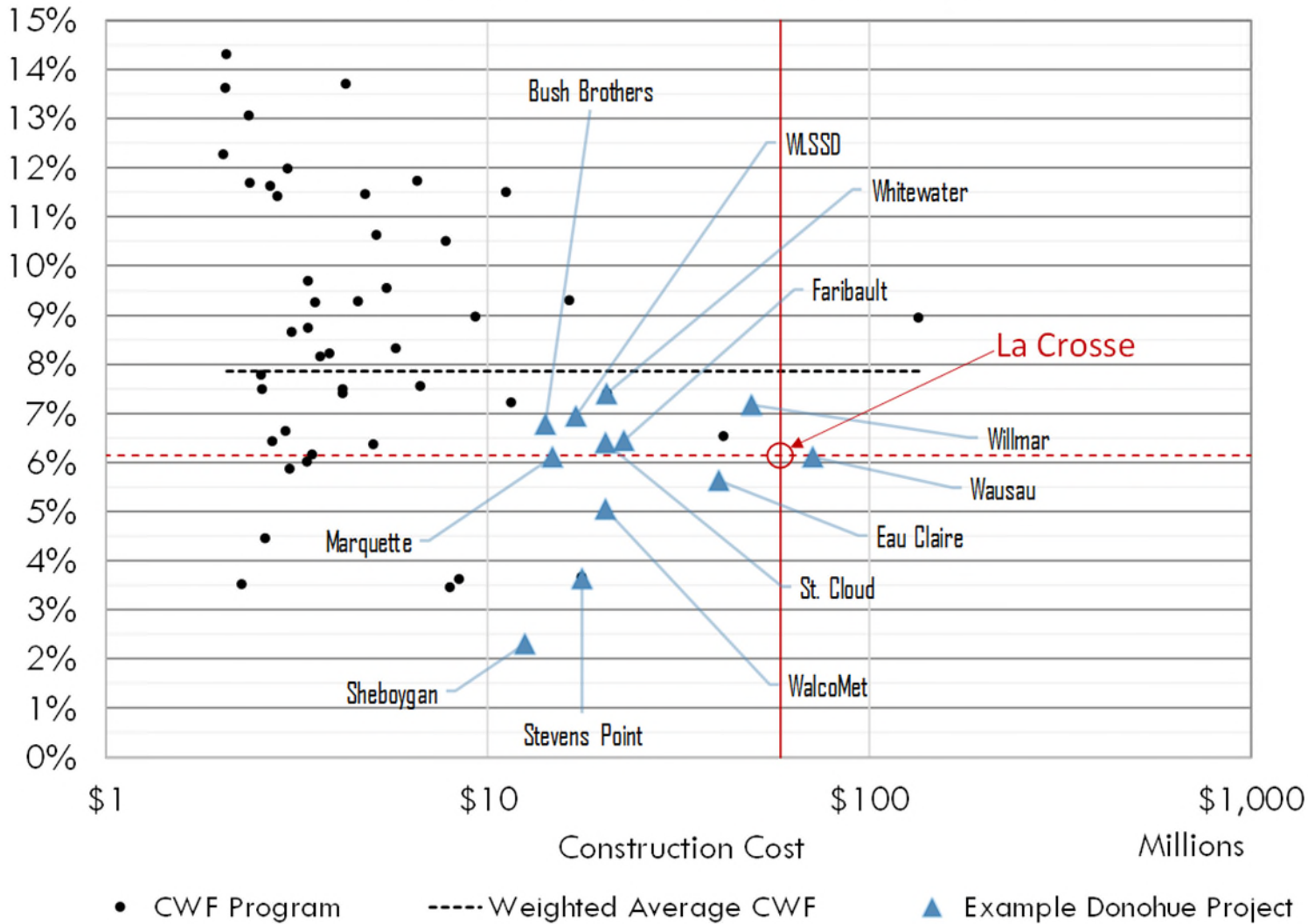
The project has since been designed and a bid for construction was awarded to CD Smith in March of 2021 (#21-0295). Project financing was approved in April 2021 (21-0375). The Utility is now requesting approval from the BPW to amend the Donohue design contract to include Construction Phase Engineering Services. The proposed amendment is attached. An explanation of the difference in the cost of the original proposal to now and a comparison to the construction management fees of other WWTP projects in Wisconsin is provided below.

Figure 1 shows data provided by the Wisconsin Clean Water Fund in 2020. The black dots represent construction-phase engineering fees for WWTF or major pump station projects performed by a host of consultants throughout Wisconsin (5-year period, 2015 – 2019). The dashed, horizontal black line is the weighted average of the black data points. The blue triangles represent example Donohue fees/projects (MI, MN, and WI \$10M+ construction). The proposed La Crosse fee is shown in red, falling near the middle of comparable project costs.

Table 1 shows the fee proposals before and after final design. The change in fee as a percent of construction is lower than proposed, though the total fee is higher because the final project cost is larger than originally estimated.

The Utility has been very happy with the work from Donohue to date and we believe the fee proposed fair and in line with other comparable projects. The overall increase is a direct result of the additional work required due to the added scope, and is actually lower than proposed on a percentage of contribution cost basis. The Utility recommends approval of the attached "CONSTRUCTION PHASE ENGINEERING SERVICES AMENDMENT NO. 1 TO THE ORIGINAL ENGINEERING SERVICES AGREEMENT", with funds coming from resolution 21-0375 as approved.

## Construction Services as % of Construction Cost



**FIGURE 1- Construction Management Fee Comparison for 202 Clean Water Fund Projects**

### Before Final Design – Information Provided in Final Design Proposal

Firm	Construction Cost Opinion	Assumed Construction Duration	Total Construction Services Fee Proposal	% of Construction	Resident Project Representative(s)
Donohue	\$48.3M	30 Mo	\$2,969M	6.15%	\$1.053M
Strand	\$48.3M	24 Mo	\$3.8M	7.9%	\$1.543M

### After Final Design

Firm	Construction Cost Opinion/Budget	Assumed Construction Duration	Total Construction Services Fee Proposal	% of Construction	Resident Project Representative(s)
Donohue	\$60.4M	36 Mo	\$3.707M	6.14%	\$1.367M

**TABLE 1- Construction Management Fee Comparison to Original Proposal**