

Council Agenda Item 25-0436R



MEETING DATE: May 27, 2025

SUBJECT/TITLE: RESOLUTION AUTHORIZING AN AGREEMENT WITH SEH, INC. FOR ENGINEERING SERVICES FOR THE DESIGN OF THE “LEAD SERVICE LINE REPLACEMENT – EAST HILLSIDE 1” PROJECT, FOR AN AMOUNT NOT TO EXCEED \$381,000.00.

SUBMITTED BY: Jon Maruska, Senior Engineering Technician, Engineering Division of Public Works & Utilities

RECOMMENDATION: Approve

BOARD/COMMISSION/COMMITTEE RECOMMENDATION: N/A

PREVIOUS COUNCIL ACTION: N/A

BACKGROUND: The EPA’s Lead and Copper Rule Improvements (LCRI) require water systems to replace all lead water services by 2037. The Minnesota Public Facilities Authority (PFA) is distributing Federal and State funds designated for lead service line replacement (LSLR) projects. The PFA has indicated there is currently funding available to be distributed in 2026 for LSLR projects. The City of Duluth Engineering Division of Public Works and Utilities has identified 5 Neighborhood LSLR projects as priorities for construction in 2026 according to Minnesota Department of Health (MDH) prioritization criteria. These 5 projects constitute a total of 2,270 service replacements. Duluth has submitted these projects to MDH and requested placement on the Project Priority List and Intended Use Plan for PFA lead replacement funding.

On 4/30/2025, the City of Duluth Purchasing Department requested proposals for engineering services to design 5 LSLR projects. Four proposals were received on 5/14/2025. The scope and scale of Duluth’s lead service line replacement program is ambitious and the time frame for design is short. No single engineering firm proposed on the entire scope of all five projects. Each engineering firm identified capacity to complete one or two of the project designs. It is in the interest of the City to distribute the work among all the proposing engineering firms to best ensure the deadlines for design and bidding can be met. The proposed contract award is based on evaluation of the technical proposals, evaluation of cost proposals and distribution of the work according to the proposer’s capacity to meet the City’s goals.

This resolution will authorize City Officials to enter into a contract with SEH, Inc. for the design of the project “Lead Service Line Replacement – Denfeld”. SEH, Inc. was selected for this project area based on the submitted technical proposal, cost proposal and capacity to accomplish the work within the necessary schedule.

BUDGET/FISCAL IMPACT: This resolution is for a contract in the amount of \$381,000.00 payable from fund 510-500-1905-5533; UtilB-2325 (water; Public Works and Utilities; capital (incl deprec/debt svc); capital improvements – revenue; utility projects budgeted; 2322 – LSLR East Hillside 1).

All costs for design will be reimbursed by the PFA upon application and award of grants and reimbursable loans in 2026. The project will not proceed beyond design without confirmation of funding by PFA.

OPTIONS:

- 1) Approve – This option will allow the design of lead service line replacement projects to be bid and constructed in 2026. All project costs would be reimbursed by PFA lead service line replacement funding.
- 2) Do Not Approve - This option would not allow design of lead service line replacement projects and Duluth would miss the opportunity to receive PFA funds designated for lead service line replacement projects.

NECESSARY ACTION: Approve the award of this contract to design lead service line replacement projects to take advantage of available lead service line replacement funds, meet EPA regulations and best serve the public health of residents of Duluth.

ATTACHMENTS:

SEH Proposal Letter