

REPORT TO THE BOARD OF MAYOR & ALDERMEN

DATE: October 27, 2025

FROM: John Fox, Public Utilities Director

SUBJECT: Second Contract Amendment for Sewer Rehabilitation Project

INTRODUCTION:

The purpose of this agenda item is to request Board of Mayor and Aldermen (BMA) approval of a second contract amendment for the Professional Service Agreement (PSA) with Grisham Smith for the Town's DWR-ARP grant funded Sewer Rehabilitation Project.

BACKGROUND:

On October 23, 2023, the BMA approved a PSA with Grisham Smith to provide engineering consultant services for the Division of Water Resources' (DWR) American Rescue Plan (ARP) State Water Infrastructure Grant (SWIG) Sewer Rehabilitation Project. The scope of work authorized under this agreement includes compiling and reviewing existing sanitary sewer system data, recommending cost-effective inspection services, and developing specifications and budget estimates to support both inspection and rehabilitation activities.

As part of this work, the consultant will assist with construction management and permitting, as needed, for recommended projects. In addition, the scope provides for the development of a GIS database to serve as a centralized repository for future inspection and maintenance records. Finally, Grisham Smith will prepare a comprehensive sewer rehabilitation and maintenance plan, including recommendations for a five-year capital improvement plan designed to reduce infiltration and inflow and prevent sanitary sewer overflows within the Town's system.

DISCUSSION:

On September 30, 2025, Gresham Smith submitted a request to adjust their hourly billing rates for the Sewer Rehabilitation Project. The current rates, established in October 2023, have not been revised despite rising labor and operating costs across the industry. While the firm has continued to honor the original rates through the initial phases of work, they are requesting future services be billed at their updated standard hourly rates.

The requested adjustment will not increase the total contract value previously approved by the Board but will update the billing schedule to reflect current industry conditions. The proposed contract amendment with written request and revised fee schedule have been attached to this report for reference.

As this is a TDEC grant-funded project, our grant management firm (LJA) has submitted a request to TDEC for authorization of the revised rates. If approved by the BMA, this amendment will remain contingent upon concurrence from the granting authority and will only take effect once concurrence is received.

BUDGET IMPACT:

There will be no impact to the budget with this amendment. The amendment will only revise the hourly billing rates and will not affect the total contract amount previously approved by the BMA.

ATTACHMENTS:

[GS-24-01405 Second Amendment.pdf](#)

PROPOSED MOTION:

To approve second contract amendment for the Professional Service Agreement with Grisham Smith Contract No.GS-24-01405 contingent on TDEC approval of revised hourly rates.

Board Action: Motion By _____ Seconded By _____

Vote Total	Hall	Jordan	Robbins	Marshall	Stamps	Fraser
Yes						
No						
Abstain						