



City Hall, 215 Sycamore St.  
Muscatine, IA 52761-3899  
(563) 264-1550  
Fax (563) 264-0750

---

**FINANCE & RECORDS**

**MEMO**

**To:** Mayor and City Council  
Greg Jenkins, Interim City Administrator

**From:** Nancy A. Lueck, Finance Director  
Brian Stineman, Public Works Director

**Date:** July 13, 2020

**Re:** Project Manager and Inspector Review – Information for Discussion

**Introduction:**

At the July 2, 2020 meeting, Councilmember Froelich requested information on the payments to one of the independent contractors the City uses for project management and inspection services. The City has used contracted project managers and inspectors for capital project-related services for at least eight years.

The City has three options to use for these services:

- Contract directly with engineering firms
- Use independent contractors for these services (if qualified individuals are available)
- Add employees to the City's budget for inspection services (training would be required)

**Background:**

The City's budget for each capital project includes engineering design services (contracted), allocations of the City Engineer and Assistant City Engineer's time on the project, the actual time the contracted project managers and inspectors spend on the project, the construction contract, and any other costs related to the project (easements, legal, property acquisition, etc.).

1. Contracting directly with Engineering firms – this is generally the most costly way of providing these services; however, these firms generally have the expertise to manage requirements of federal and state grant agreements that would take a lot of staff time if done in-house. The City is currently using engineering firms for inspectors for the Airport Hangar and Apron Expansion projects, and will also use the engineering firm for inspections on the upcoming Taxiway A Reconstruction project. The Taxiway A engineering contract with Bolton & Menk for construction engineering is on an hourly basis not to exceed \$243,900 (this is a separate fee from the Bolton & Menk design and bidding costs of \$218,200). The construction bid came in at

**"I remember Muscatine for its sunsets. I have never seen any  
on either side of the ocean that equaled them" – Mark Twain**

\$2,497,660.30, which makes the construction engineering 9.8% of the contract cost. Engineering firm contracted engineering inspection work generally ranges from 10% to 15% of the construction contract cost.

2. Use of independent contractors for these services – the City is currently using Koala Consulting (Bill Haag) as a project manager and Steve Dalbey as a project inspector. Randy Hill was also providing some project management services through April of this year.

Prior to being a project manager for the City, Bill Haag worked for several engineering firms doing project management/inspection services. Prior to becoming City Engineer June 1, 2015, Jim Edmond also served as one of the City's contracted project managers/inspectors. These individuals brought their construction knowledge and experience to their contract work with the City. Steve Dalbey received training and has worked under the direction of the City's engineering staff.

3. Due to the significant size and number of recent projects, the use of the contracted project management and inspection services has worked well for the City. Attached to this memo is a summary of the costs for the contracted services for fiscal year 2019/2020 through the payments made on July 6, 2020. In FY 2019/2020, Bill Haag was paid \$47.35 per hour plus \$.47 per mile. Steve Dalbey was paid \$42.21 per hour plus \$.40 per mile. Koala Consulting also did some clerical contract documentation work at \$20.00 per hour.

For comparison purposes, if the City added Project Inspector positions at Grade 4 in the pay plan, the entry-level hourly rate would be \$24.89 and the Step 5 (midpoint) rate would be \$29.50 per hour. Adding employee benefits would bring the annual cost of an entry-level position to \$83,339 and the Step 5 cost to \$101,251. As employees, the Project Inspector(s) would also receive overtime compensation for any hours over 40 per week (this will be expected during peak construction periods), would receive paid vacation, and paid sick leave. The City would also incur the costs of training for these individuals, especially initially to bring them to the level needed for this work. None of this training, however, would provide the 30+ years of construction experience the current independent contractors bring.

#### **Summary:**

The summary of the costs of the contracted project managers/inspectors for fiscal year 2019/2020 (through payments made July 6) is attached. Also attached are sample invoices for each contractor. Procedurally, these invoices are (1) reviewed and approved by the City Engineer (or Assistant City Engineer), (2) then reviewed and signed by the Public Works Director, and (3) any invoices for capital projects are also reviewed and initialed by the Finance Director.

If Council members have questions on *any* invoice on the Bills for Approval list, they can contact the Finance Director (Accounting Supervisor in her absence), who can provide the backup information (invoice, purchase order if applicable, etc.). If Finance staff is informed prior to the meeting, this information be readily available at the meeting. If any Council member would like to see any invoice(s), this can be done separately from a Council meeting by contacting the Finance Director.

**Project Managers/Inspectors Costs by Project**  
**Fiscal Year 2019/2020 (through Invoices paid after the 7/2/20 Council Meeting)**

**Project Managers/Inspectors:**

Koala Consulting (Bill Haag) - \$47.35 per hour plus \$.47 per mile

Koala Consulting (Clerical) - \$20.00 per hour

Steve Dalbey - \$42.21 per hour plus \$.40 per mile

Randy Hill - \$50.00 per hour (only through April)

	Koala Consulting		Steve Dalbey	Randy Hill	Totals
	Bill Haag	Clerical			
<b>Projects:</b>					
2nd Street Streetscaping	\$ 8,933.96	\$ -	\$ 4,052.77	\$ 1,900.00	\$ 14,886.73
Pavement Management Contracts	2,108.78	-	2,723.72	-	4,832.50
Park Avenue 4-Lane to 3-Lane, etc.	725.60	-	4,248.50	-	4,974.10
Mulberry (Grant Closeout)	455.70	-	-	-	455.70
Grandview Avenue	272.10	-	2,140.37	1,125.00	3,537.47
2nd and Mulberry Roundabout	18,832.95	-	15,821.00	3,050.00	37,703.95
Other Corridor Projects	5,920.54	-	175.00	-	6,095.54
WPCP High Strength Waste Facility	9,659.55	-	1,233.90	-	10,893.45
West Hill Sewer	24,609.99	160.00	48,292.36	3,025.00	76,087.35
West Side Trail	20,298.68	5,190.00	24,455.50	3,400.00	53,344.18
Arbor Commons Infrastructure	5,487.35	-	557.94	-	6,045.29
Misc. Projects/Engineering	2,448.90	-	302.28	2,650.00	5,401.18
<b>Totals</b>	<b>\$ 99,754.10</b>	<b>\$ 5,350.00</b>	<b>\$ 104,003.34</b>	<b>\$ 15,150.00</b>	<b>\$ 224,257.44</b>
<b>Hourly Rate</b>	<b>\$ 47.35</b>	<b>\$ 20.00</b>	<b>\$ 42.21</b>	<b>\$ 50.00</b>	
<b>Approximate Hours (actual hours are slightly lower since mileage is included in the costs shown for Koala Consulting and Steve Dalbey)</b>	<b>2,106.74</b>	<b>267.50</b>	<b>2,463.95</b>	<b>303.00</b>	

Sample - Koala  
(Bill Haag)

CITY OF MUSCATINE  
PAYMENT REQUEST

PAYEE Koala Consulting

ADDRESS \_\_\_\_\_

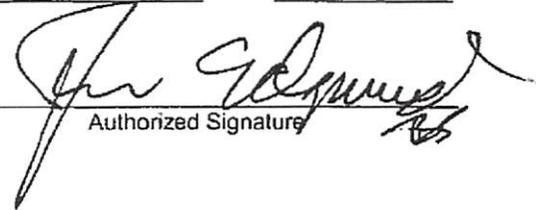
CITY, STATE, ZIP \_\_\_\_\_

DATE 6-25- 2020

Project  
6/14-6/20  
- 490000

REF #	DESCRIPTION	FUND/DEPT	ACCOUNT	AMOUNT
	<u>West Hill Sewer</u>	<u>4276-40-4276</u>	<u>61430</u>	<u>680.25</u>
	<u>2nd &amp; Mulberry RAB</u>	<u>4195-40-4198</u>	<u>61430</u>	<u>680.25</u>
	<u>2nd Street Construction</u>	<u>4157-40-4157</u>	<u>61430</u>	<u>634.90</u>
	<u>Arbor Commons</u>	<u>4901-00-4901</u>	<u>61430</u>	<u>45.35</u>

Total

  
Authorized Signature

CITY OF MUSCATINE  
PAYMENT REQUEST

PAYEE Koala Consulting

PAGE 2

ADDRESS \_\_\_\_\_

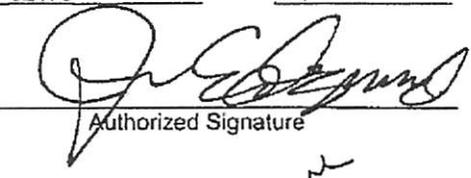
CITY, STATE, ZIP \_\_\_\_\_

DATE \_\_\_\_\_

REF #	DESCRIPTION	FUND/DEPT	ACCOUNT	AMOUNT
	<u>Grandview Ave</u>	<u>4195-40-4197</u>	<u>61430</u>	<u>-</u>
	<u>West Side Trail</u>	<u>4441-40-4441</u>	<u>61430</u>	<u>45.35</u>
	<u>Mississippi Drive</u>	<u>4195-40-4195</u>	<u>61430</u>	<u>51.70</u>
	<u>West Side Trail (Molly)</u>	<u>4441-40-4441</u>	<u>62470</u>	<u>290.00</u>

Clerical Assistance

\$ 2,427.80  
Total

  
Authorized Signature



# INVOICE

**KOALA CONSULTING SERVICES**

2088 Old Hwy 61 South  
 Muscatine, Iowa 52761-9531  
 Phone 563.283.0308 Cell 563.283.0890

DATE: June 25, 2020  
 INVOICE # 2020-025 (June)  
 FOR: Construction Phase Services

Bill To:  
 City of Muscatine  
 Public Works Department/Engineering Department  
 1459 Washington Street  
 Muscatine, Iowa 52761-5040  
 Attn.: James G. Edgmond  
 Telephone: 563-283-8933 Fax: 563-283-2127

For Period:  
 Begin June 14, 2020  
 End: June 20, 2020

Hourly Rate\*: \$45.35/Hour; Mileage Rate\*: \$0.47/Mile  
 Molly's Hourly Rate: \$20.00/Hour

DESCRIPTION		AMOUNT
<b>DATE</b>	<b>HOURS</b>	<b>ACTIVITY DESCRIPTION</b>
<u>Mississippi Drive Corridor Reconstruction:</u>		
Week End Sat. June 20, 2020:	Mon=0, Tue=0, Wed=0, Thur=0, Fri=0, Sat=0 (Total=0)	\$ -
<u>West Hill Area Sanitary &amp; Storm Sewer Separation Phase-5:</u>		
Week End Sat. June 20, 2020:	Mon=0, Tue=0, Wed=0, Thur=0, Fri=0, Sat=0 (Total=0)	\$ -
<u>West Hill Area Sanitary &amp; Storm Sewer Separation Phase-4C:</u>		
Week End Sat. June 20, 2020:	Mon=2, Tue=3, Wed=2, Thur=6, Fri=2, Sat=0 (Total=15)	\$ 680.25
<u>2nd Street Streetscape (Recondition):</u>		
Week End Sat. June 20, 2020:	Mon=3, Tue=3, Wed=4, Thur=2, Fri=2, Sat=0 (Total=14)	\$ 634.80
<u>Grandview Avenue Reconstruction:</u>		
Week End Sat. June 20, 2020:	Mon=0, Tue=0, Wed=0, Thur=0, Fri=0, Sat=0 (Total=0)	\$ -
<u>E. 2nd/Mulberry R-A-B:</u>		
Week End Sat. June 20, 2020:	Mon=3, Tue=3, Wed=3, Thur=2, Fri=4, Sat=0 (Total=15)	\$ 680.25
<u>Park Ave 4 to 3:</u>		
Week End Sat. June 20, 2020:	Mon=0, Tue=0, Wed=0, Thur=0, Fri=0, Sat=0 (Total=0)	\$ -
<u>Arbor Commons:</u>		
Week End Sat. June 20, 2020:	Mon=0, Tue=0, Wed=0, Thur=0, Fri=1, Sat=0 (Total=1)	\$ 45.35
<u>West Side Trail:</u>		
Week End Sat. June 20, 2020:	Mon=0, Tue=0, Wed=0, Thur=0, Fri=1, Sat=0 (Total=1)	\$ 45.35
<u>Molly Haag's Time:</u>		
(Grandview Ave)-Week End Sat. June 20, 2020:	Mon=0, Tue=0, Wed=0, Thur=0, Fri=0, Sat=0 (Total=0)	\$ -
(West Side Trl)-Week End Sat. June 20, 2020:	Mon=6.5, Tue=0, Wed=0, Thur=0, Fri=8, Sat=0 (Total=14.5)	\$ 290.00
		Sub-Total Services:
		\$ 2,378.10
<b>DATE</b>	<b>MILES</b>	<b>ACTIVITY DESCRIPTION</b>
<u>Mississippi Drive Corridor Reconstruction:</u>		
Week End Sat. June 20, 2020:	Mon=22, Tue=22, Wed=22, Thur=22, Fri=22, Sat=0 (Total=110)	\$ 51.70
<u>Postage:</u>		
		Sub-Total Expenses:
		\$ 51.70
<b>Total:</b>		<b>\$2,427.80</b>

\* In accordance with Construction Project Manager agreement signed on 12-08-2011.  
 Approved 2012/2013 City Budget shows a 2.28% increase. Approved 2016/2017 City Budget shows a 2.75% increase.  
 Approved 2013/2014 City Budget shows a 2.25% increase. Approved 2017/2018 City Budget shows a 2.9% increase.  
 Approved 2014/2015 City Budget shows a 2.25% increase. Approved 2018/2019 City Budget shows a 3.0% increase.  
 Approved 2015/2016 City Budget shows a 2.50% increase. Approved 2019/2020 City Budget shows a 2.25% increase.

Make all checks payable to: Koala Consulting Services  
 If you have any questions concerning this invoice, please contact:  
 Bill Haag @ 563-283-0308 Or 563-283-0690

Thank You for Your Business!

CITY OF MUSCATINE  
PAYMENT REQUEST

PAYEE Steve Dalbey

ADDRESS \_\_\_\_\_

CITY, STATE, ZIP \_\_\_\_\_

DATE 6-24-20

*Inspection Services*  
6/8  
6/21

REF #	DESCRIPTION	FUND/DEPT	ACCOUNT	AMOUNT
	w. Hill	4276-40	4276-61430	1,810.73
	Wside Trail	4441-40	4441- <del>73900</del> <sup>61430</sup>	545.23
	2nd/mul RAB	4195-40	4195- <del>73200</del> <sup>61430</sup>	943.82
	2nd St. Construct.	4157-40	4157- <del>73200</del> <sup>61430</sup>	1,197.48

\$ 4,497.26  
Total

*Steve Dalbey*  
Authorized Signature

*SD*  
*me*

*Sample - Steve Dalbey*

June 24, 2020

To: Connie Mann

From: Steve Dalbey

Subject: Time Sheet

Here is my time sheet for the last 2 weeks. Thank you.

2020 DATE	West Hill Phase 4C		West Side Trail		Mulberry RAB		2nd Street	
	HOURS	MILES	HOURS	MILES	HOURS	MILES	HOURS	MILES
6/8/20	7.5	6	1	9	1	4	2	5
6/9/20	5	4	2	8	1	3	4	3
6/10/20	3	4	1	4	3	4	5	4
6/11/20	4	5			5	3	2	3
6/12/20	3	6			3	14	4	6
6/13/20	2.5	4					2	4
6/14/20								
6/15/20								
6/16/20	5	4	1		5.5	4	2.5	4
6/17/20	5	4	2.5	6			4	4
6/18/20	3	1	1.5	9	2	3	2	3
6/19/20	4.5	4	3.5	8	1.5	3	0.5	3
6/20/20								
6/21/20								
Total hrs. mi.	42.5	42	12.5	44	22	38	28	39
Rate	42.21	0.40	42.21	0.40	42.21	0.40	42.21	0.40
TOTAL	\$1,793.93	\$16.80	\$527.63	\$17.60	\$928.62	\$15.20	\$1,181.88	\$15.60
					TOTAL	<del>\$4,497.25</del>	4497.26	8m