

BEFORE THE OFFICE OF ADMINISTRATIVE HEARINGS

STATE OF KANSAS

IN THE MATTER OF

THE APPLICATION OF THE CITIES OF)
HAYS, KANSAS AND RUSSELL, KANSAS)
FOR APPROVAL TO TRANSFER WATER) OAH NO. 23AG0003 AG
FROM EDWARDS COUNTY, KANSAS)
PURSUANT TO THE KANSAS WATER)
TRANSFER ACT.)

Pursuant to K.S.A. Chapter 77.

DIRECT TESTIMONY OF KEVIN D. WADDELL, P.E., PRECONSTRUCTION &
ESTIMATING MANAGER FOR WATER INFRASTRUCTURE, BURNS &
McDONNELL ENGINEERING COMPANY, INC.

ON BEHALF OF

THE CITIES OF HAYS AND RUSSELL, KANSAS

RELATING TO

OPINION OF PROBABLE CONSTRUCTION COSTS FOR
THE R9 RANCH WATER TRANSFER PROJECT

1 **Q. Please state your name and present position.**

2 A. My name is Kevin D. Waddell, P.E., Preconstruction & Estimating Manager for
3 Water Infrastructure with Burns & McDonnell Engineering Company, Inc., an international design
4 and consulting engineering firm based in Kansas City, Missouri.

5 **Q. On whose behalf are you submitting testimony?**

6 A. The City of Hays, Kansas and the City of Russell, Kansas (the “Cities”).

7 **Q. Please describe your educational background and employment experience.**

8 A. I have a Bachelor of Science degree in Civil Engineering from the University of
9 Kansas, and I am a licensed Professional Engineer in Kansas. I am a construction professional
10 with 30 years of design, preconstruction, estimating, management, and construction experience.
11 Since September of 2019, I have been employed by Burns & McDonnell Engineering Company,
12 Inc. (Burns & McDonnell). I am an Associate with Burns & McDonnell and my job position is
13 the National Preconstruction & Estimating Manager for Water Infrastructure. I have worked in the
14 heavy/civil construction industry for over 29 years with 26 years of that experience as a contractor
15 constructing water infrastructure of various types around the United States. I am being
16 compensated \$276 per hour for work on this project. A more complete summary of my educational
17 background and employment experience is in my CV, which is attached as Exhibit KDW-01 and
18 incorporated herein as if set forth in full.

19 **Q. Has this direct testimony been prepared by you or under your direct**
20 **supervision?**

21 A. Yes, it has.

22 **Q. Have you previously testified before the Kansas Department of Agriculture–**
23 **Division of Water Resources or any other regulatory commission?**

24 A. No, I have not.

1 **Q. Have you testified in any litigation in the prior four years?**

2 A. No, I have not.

3 **Q. Are you sponsoring any exhibits with your direct testimony?**

4 A. Yes. In addition to KDW-01, I Sponsor Exhibit KDW-02, which is my sworn
5 declaration providing an opinion of probable construction costs relating to the R9 Ranch water
6 transfer construction project, which is incorporated into my testimony as if set forth in full.

7 **Q. What is the purpose of your direct testimony?**

8 A. My opinions are set forth in detail in Exhibit KDW-02, but in general, my testimony
9 relates to the probable construction costs relating to Phase 1 of the R9 Ranch water transfer project.

10 **Q. In summary, what did you conclude?**

11 A. Construction costs have increased steadily from 2015 to 2019, and dramatically
12 since 2019. The pandemic had, and continues to have, a significant impact on labor availability,
13 material costs and delivery schedules. The current opinion of probable construction cost estimate
14 is \$106.6 million, a 46.29% increase over Burns & McDonnell's 2015 estimate. Based on my
15 professional knowledge and experience, I estimate with an 80% confidence level that by 2025, the
16 project will cost rate payers in Hays \$134.9 million, a 26.53% increase from the current estimate
17 and an 85.1% increase from 2015.

18 **Q. Please describe how you arrived at your conclusions.**

19 A. As explained in more detail in my expert report, in 2021 an updated estimate of
20 construction costs was developed in accordance with industry standards based on Association for
21 Advancement of Cost Engineering (AACE) estimate classification for a Class 5 estimate.

22 **Q. Does that conclude your direct testimony?**

23 A. Yes, the balance of my testimony is included in KDW-01 and KDW-02.

VERIFICATION

STATE OF Missouri)
COUNTY OF CASS)

I Kevin D. Waddell, being duly sworn, on oath state that I have read the foregoing and know the contents thereof, and that the facts set forth therein are true and correct to the best of my knowledge and belief.

By: Kevin D. Waddell
Kevin D. Waddell

The foregoing was subscribed and sworn to before me this 28th day of May,
2023.

Lisa Sturgeon
Notary Public

My Commission Expires:

6/9/2024

LISA STURGEON
NOTARY PUBLIC-NOTARY SEAL
STATE OF MISSOURI
CASS COUNTY
MY COMMISSION EXPIRES 6/9/2024
COMMISSION # 20535239

Kevin D. Waddell, P.E.

Skills Summary

- ◆ Cost Estimating
- ◆ Business Development
- ◆ Marketing & Sales
- ◆ Value Engineering
- ◆ Conceptual Estimating/Budgeting
- ◆ Technical Writing/Correspondence
- ◆ Management
- ◆ Presentations
- ◆ Collaborative Project Deliveries
- ◆ Scheduling
- ◆ Computer Skills
- ◆ Operations

Professional Experience

DESIGN – 1993 TO 1997

- ◆ Licensed professional engineer in the State of Kansas
- ◆ Prepare plans and specifications for sewage pumping facilities, force mains and sewer interceptors
- ◆ Work with potential suppliers to ensure proper material design and specification selection
- ◆ Develop cost estimates for the client for budget and bidding purposes
- ◆ Review shop drawings and material submittals during construction phase of design projects
- ◆ Design of over 40 miles of sanitary sewer interceptor systems ranging in size from 15" to 60" diameter pipe

CONSTRUCTION – 1997 TO PRESENT

- ◆ Managing a preconstruction department consisting of 4-7 estimators
- ◆ Actively engaged with Marketing & Proposal team on pursuits for design-build, CMAR or design only contracts across the U.S.
- ◆ Strong understanding and knowledge of construction contracts including AIA and EJCDC general conditions
- ◆ Strong understanding and able to write, interpret and analyze technical specifications
- ◆ Proven ability to identify and mitigate risk factors during preconstruction services for potential projects
- ◆ Estimated and/or managed the construction of water and wastewater treatment facilities projects from \$100K to \$550mil
- ◆ Estimated and managed over 200 miles of sanitary sewer systems ranging in size from 6" to 60" diameter pipe
- ◆ Estimated and managed storm drainage pipe systems ranging in size from 12" to 108" diameter pipe
- ◆ Estimated and managed over 50 miles of water supply pipe systems ranging in size from 4" to 48" diameter pipe
- ◆ Successfully estimated and managed people and resources for the JCCC SE Quadrant Stormwater Management Project which won the **2011 APWA Environmental Project of the Year under \$5 million** for the Kansas City Metro Area Chapter of APWA
- ◆ Successfully estimated and managed people and resources for Sar Ko Par Trails Park Lake & Dam Improvements which won the **2013 APWA Environmental Project of the Year under \$5 million** for the Kansas City Metro Area Chapter of APWA
- ◆ Successfully developed fix priced cost estimate and wrote the proposal for the NEID Pump Station Bar Screen Replacement Design/Build project valued at \$1.9 million. The completed project won the **2015 ACEC Missouri Chapter Design Excellence Award** for Water/Wastewater projects.
- ◆ Estimated & managed high service earthen dams, roadways, parking lots, bio retention ponds and swales, commercial site work for shopping centers, educational & manufacturing facilities, storm drainage & culvert projects; waterlines; sanitary sewer lines; foundations for power plant upgrades; & water/wastewater treatment facilities
- ◆ Safety training includes 10 hr. OSHA certification, confined space entry, trench and excavation safety certified, competent person certification, member of corporate safety committee that guided company to AGC national safety award

Recent Employment History

BURNS & MCDONNELL – KANSAS CITY, MO

Preconstruction & Estimating Manager for Water Infrastructure, September 2019 to date

FLATIRON CONSTRUCTORS – BROOMFIELD, CO

Lead Estimator Central Region Water/Wastewater, August 2018 to August 2019

FOLEY COMPANY – KANSAS CITY, MO

Preconstruction/Estimating Manager – January 2014 to August 2018

Education

UNIVERSITY OF KANSAS – LAWRENCE, KS

B.S. in Civil Engineering Degree, 1993

CROWDER COLLEGE – NEOSHO, MO

1988 – 1990 Associate in Arts Degree, 1990; member of baseball team

**EXHIBIT
KDW-01**

Kevin D. Waddell, P.E.

ORAL ROBERTS UNIVERSITY – TULSA, OK

1987 - 1988 Liberal Arts; member of baseball team

Activities / Affiliations

Licensed professional engineer – State of Kansas, License #16335

Assoc. DBIA certification, 2019

National Utility Contractors Association, KC Chapter Board of Directors 2023-2025

Published blog by WaterOnline <https://www.wateronline.com/doc/designing-for-procurement-can-help-alleviate-supply-chain-headaches-0001>

Water Design Build Council – Advisory Group Member from 2015-2019

Water Environment Federation, member

Blue Hills Contractor Incubator – Mentor (2015-2016)

Olathe Girls Softball Association – President, Board of Directors (2013-2014)

Recent Relevant Project Experience

Currently managing preconstruction & estimating for nine collaborative delivery projects for which Burns & McDonnell is the integrated design builder or CMAR firm.

Stillwater WTP & Raw Water Delivery Improvements – City of Stillwater, OK, \$150 mil, Construction Manager At-Risk, part of the proposal and interview team that was selected for the CMAR contract; currently managing and executing preconstruction and estimating services. Budgeted \$1.2 billion in alternatives and concepts in 2021 for City to make business case decisions.

Republic, MO WWTP & Collections Systems – City of Republic, MO, ~\$130 million, Progressive Design Build, managing and executing preconstruction services for five different projects including two WWTP improvements and three collections systems, interceptor sewer and lit station projects.

Collector Well #2 Improvements – Jefferson County Water Authority, Festus, MO, ~\$11 million, Progressive Design Build, established project budget of ~\$11 million based on conceptual design from engineering study to construct a new raw collector well and pump station. Managed preconstruction & estimating during design to offer final price of ~\$9 million at preliminary (60%) design. Project is currently under construction.

Marshall Municipal Utilities WWTP Improvements – City of Marshall, MO, ~9.2 million, Progressive Design Build, established project budget of ~\$9.2 million based on conceptual design from engineering study to replace an existing Schreiber CSR with retrievable aeration diffuser system, replace three 112' clarifier mechanisms, & associated electrical improvements. Managed preconstruction & estimating during design to offer final price of ~\$9 million at preliminary (60%) design. Project is currently under construction.

Wichita Northwest Water Treatment Plant – City of Wichita, KS, \$514,000,000, Progressive Design Build, performed preconstruction and estimating as part of the final price development. Participated in final discipline estimate review.

I, Kevin D. Waddell, P.E., declare as follows:

1. I am of sound mind and lawful age.
2. I am a licensed professional engineer in Kansas.
3. I am a construction professional with 30 years of design, preconstruction, estimating, management, and construction experience.
4. Since September of 2019, I have been employed by Burns & McDonnell Engineering Company, Inc. (Burns & McDonnell), which is a multinational engineering and construction firm.
5. I am the Preconstruction & Estimating Manager for Water Infrastructure at Burns & McDonnell. In that role I provide preconstruction and estimating services related to water infrastructure for municipal and industrial clients.
6. I have been the Preconstruction and Estimating Manager for the Hays/Russell R9 Ranch Project since 2021.
7. The original cost estimate for the Hays/Russell R9 Ranch Project was completed by Burns & McDonnell in 2015. Because I was not yet working for Burns & McDonnell at that time, the original cost estimate was not completed by me or under my supervision. However, my understanding is that Burns & McDonnell developed the 2015 opinion of probable construction costs for the Hay/Russell R9 Ranch Project using the R.S. Means cost index, Division of Labor data, and representative material cost quotes obtained from vendors. Using these statistics, Burns & McDonnell estimated costs to construct the first phase of the project to be \$72.9 million.
8. Construction costs increased steadily from 2015 to 2019, and have dramatically increased since 2019. The pandemic had, and continues to have, a significant impact on labor availability, material costs and delivery schedules.
9. In 2021, the opinion of probable cost was revised and updated under my direct supervision to determine the cost impacts of the pandemic on the project. The update was completed in accordance with industry standards based on Association for Advancement of Cost Engineering (AACE) estimate classification for a Class 5 estimate.
10. The current opinion of probable construction cost estimate is \$106.6 million, a 46.29% increase over Burns & McDonnell's 2015 estimate.
11. The forecasted inflation rate for construction costs is currently 8.16%, as calculated by the Burns & McDonnell construction estimating group, based on averages across various market sectors, State Division of Labor statistics, and data from the U.S. Energies Institute of America.

Based on my professional knowledge and experience, I estimate within a reasonable degree of professional certainty, that by 2025, the project will cost rate payers in Hays \$134.9 million, a 26.53% increase from the current estimate and an 85.1% increase from 2015.

/s/Kevin D. Waddell, P.E.

**EXHIBIT
KDW-02**