



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 3, 2012

TO: Mayor and Councilmembers

FROM: Engineering Division, Public Works Department

SUBJECT: Increase In Construction Change Order Authority For Ortega Groundwater Treatment Plant Rehabilitation And Improvements Project

RECOMMENDATION: That Council:

- A. Authorize an increase in the Public Works Director's Change Order Authority to approve expenditures for extra work associated with unforeseen soils contamination for the Ortega Groundwater Treatment Plant Rehabilitation and Improvements Project, Contract No. 23,863 with PCL Construction, Inc., in the amount of \$141,623 for a total expenditure authority of \$640,027; and
- B. Authorize an increase in the Public Works Director's Extra Services Authority to approve expenditures for extra work associated with unforeseen soils contamination for the Ortega Groundwater Treatment Plant Rehabilitation and Improvements Project, Contract No. 23,865 with Penfield & Smith in the amount of \$172,108.11 for a total expenditure authority of \$235,166.11.

DISCUSSION:

BACKGROUND

The Ortega Groundwater Treatment Plant (OGWTP) was constructed in the 1970s to treat high levels of naturally occurring iron and manganese in the groundwater pumped from the four downtown area wells: Ortega Park, Corporation Yard, Vera Cruz, and City Hall. These wells provide approximately 50% of the City's overall groundwater pumping capacity. The OGWTP and the four wells played an important water supply role during the drought of the late 1980s. Currently, the OGWTP and the four downtown wells are in need of significant rehabilitation in order for them to once again become a functioning part of the City's water supply.

On August 23, 2011, Council awarded a contract to PCL Construction, Inc. (PCL), for construction of the Ortega Groundwater Treatment Plant Rehabilitation and Improvements Project (Project). Council also awarded a contract to Penfield & Smith (P&S) for construction management services for the Project. The Project is funded through a low interest Safe Drinking Water State Revolving Fund (SDWSRF) loan.

CURRENT STATUS

Construction began in October 2011 and, on April 4, 2012, suspicious soils were encountered onsite and work was halted in the area. Upon testing, the soils were found to be contaminated with lead associated with rubble and debris and diesel, both from an unknown source.

The OGWTP site, which includes the former Recycling Center, has been known for years to contain contamination associated with leaking underground fuel tanks. Those tanks were removed in the late 1980s, and the contamination that remains under the buildings continues to be closely monitored. Prior to construction of this Project, additional soil testing was conducted to identify the location of contamination on the site of the OGWTP. Unfortunately, the test borings did not fall in the area where contamination was found. The contamination discovered on April 4, 2012, is not associated with any of the known contamination resulting from the prior leaking tanks.

Much of the burden of addressing this unexpected situation was born under the contract management agreement with Penfield & Smith for evaluation, coordination, and management of the clean up. The extra services performed under contract with P&S included expedited soil testing, preparation of a contaminated soils remediation work plan, coordination with County Fire and the Air Pollution Control District (APCD) for permits, coordination and direction to PCL on removal and disposal, and final testing and oversight of the contaminated soil removal, which also included geotechnical and archeological services.

The final work entailed the removal of approximately 200 cubic yards of material and disposal during the weekend of May 19 and 20 and on May 26. The weekend work was a stipulation of the permit with APCD to comply with a state requirement that limits work with hazardous materials within 1,000 feet of a school. Pockets of contamination will remain where soil could not be removed because existing structures (e.g., retaining walls and tank footings) overlay the contamination. The contamination that will be left in place under these structures does not pose a threat to public health. In areas where work could be done, confirmatory soil samples were taken and analyzed as part of the above work, and results indicate that no further cleanup is required at this time.

Since the contamination does not have a clear point source, there is a possibility that small pockets of contamination may be uncovered as work continues. Staff has made arrangements to safely address these pockets as they may arise and believes the bulk of the contamination that underlies the active work area has been removed. Any

additional pockets of contamination should be small in nature and not require the need to return to Council for additional funding authority.

BUDGET/FINANCIAL INFORMATION:

The proposed increase to change order funding for PCL is the cost to date for the contaminated soils cleanup. The proposed increase in extra services for P&S will cover the more significant costs related to evaluation, coordination, and management of the cleanup. Because the Project is still in the beginning stages, Staff is requesting the full cost of these services to replenish the change order and extra services. As mentioned above, it is anticipated that any additional expenses for contaminated soils should be small and will be covered under this increased change order and extra services authority.

The following summarizes the additional expenditures recommended in this report:

CONSTRUCTION CONTRACT FUNDING SUMMARY

PCL Construction, Inc.

	Base Contract	Change Order	Total
Initial Contract Amount	\$5,076,296	\$507,630	\$5,583,926
Proposed Increase		\$141,623	\$141,623
Totals	\$5,076,296	\$649,253	\$5,725,549

Penfield & Smith

	Base Contract	Extra Services	Total
Initial Contract Amount	\$630,576.00	\$63,058.00	\$693,634.00
Proposed Increase		\$172,108.11	\$172,108.11
Totals	\$630,576.00	\$235,166.11	\$865,742.11

The following summarizes all Project design costs, construction contract funding, and other Project costs.

ESTIMATED TOTAL PROJECT COST

**Cents have been rounded to the nearest dollar in this table.*

	Design	\$935,132
Construction Contract		\$5,725,549
Construction Management/Inspection (by Contract)		\$865,742
Construction Administration and Survey (by City Staff)		\$187,098
Design Support Services During Construction (by Contract)		\$460,674
SCADA Integration (by Contract)		\$797,621
Construction	Subtotal	\$8,036,684
	Project Total	\$8,971,816

There are sufficient funds in the Ortega Groundwater Treatment Plant Project Fund (funded by the SDWSRF loan) to cover these expenditures.

SCHEDULE IMPACTS

Aside from the financial impacts of the soil contamination, there was also a significant impact to the schedule, delaying the Project by nearly two months. The final completion date of this Project is now anticipated to be in August 2013. Since the Project requires the use of the Recycling Center area for staging, this will have a direct impact on the Summer Solstice Celebration and preparation for the 2013 Summer Solstice Parade. The Summer Solstice Celebration group has acquired an alternative location this year for building floats as a result of the Project and will need to find an alternative accommodation again next year.

PREPARED BY: Joshua Haggmark, Principal Civil Engineer/LS/mj

SUBMITTED BY: Christine F. Andersen, Public Works Director

APPROVED BY: City Administrator's Office