



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: June 30, 2015

TO: Mayor and Councilmembers

FROM: Engineering Division, Public Works Department

SUBJECT: Increase In Construction Change Order Authority For The Recycled Water Treatment Plant Replacement Project

RECOMMENDATION: That Council:

- A. Approve a transfer of \$1,342,271.95 from Water Fund Operating Fund Reserves to the Water Capital Fund;
- B. Increase appropriations and estimated revenues by \$1,342,271.95 in the Water Capital Fund for the Recycled Water Treatment Plant Replacement Project;
- C. Authorize an increase in the Public Works Director's Change Order Authority to approve expenditures for extra work for the Recycled Water Treatment Plant Replacement Project, Contract No. 21400193 with Schock Contracting Corporation, in the amount of \$ 879,000, for a total Project change order expenditure authority of \$1,758,000;
- D. Authorize an increase in the Public Works Director's Change Order Authority to approve expenditures for extra work for the Recycled Water Treatment Plant Replacement Project, Contract No. 24,826, for construction management services with MNS Engineers in the amount of \$386,326.00, for a total Project change order expenditure authority of \$456,941.40; and
- E. Authorize an increase in the Public Works Director's Change Order Authority to approve expenditures for extra work for the Recycled Water Treatment Plant Replacement Project, Contract No. 24,828, for environmental and support services with Dudek in the amount of \$14,945.95, for a total Project change order expenditure authority of \$20,976.95.

DISCUSSION:

BACKGROUND

The City's Recycled Water Treatment Plant (Plant) was constructed in 1989 at the El Estero Wastewater Treatment Plant. It was one of the first recycled water facilities in California and was designed to produce approximately four million gallons of recycled water per day, thereby reducing the need for potable water. The Plant has been in

operation for over 20 years, and was in need of significant rehabilitation to allow for the effective production of recycled water.

On April 29, 2014, Council awarded a contract in the amount of \$8,490,000 with change order authority of \$879,000 to Schock Contracting Corporation (Schock) for the construction of the Recycled Water Treatment Plant Replacement Project (Project), Bid No. 3688A. The work generally consisted of demolishing the existing Recycled Water Treatment Plant's media filters and constructing the new Microfiltration/Ultrafiltration Complex, including ancillary facilities for cleaning the membranes and associated chemical systems. Additional work included rehabilitation of the recycled water storage reservoir, replacement of the chlorine contact basin pumps, motors and variable frequency drives, reconfiguring piping and existing chemical storage sites, and improvements to the storm water drainage system.

On April 29, 2014, Council also awarded a contract to MNS Engineers (MNS) for construction management services for the Project in the amount of \$776,769.40, including extra services.

Also on April 29, 2014, Council awarded a contract to Dudek for environmental monitoring and support services in the amount of \$66,335.40 including extra services.

CURRENT STATUS

During the construction of the Project, it was discovered that CDM Smith, the Project designer, included water quality data that was not representative of the current feed to the Plant. Because this data was used as the basis for selecting and purchasing the filtration membranes, the membranes purchased by Schock will not produce water treated to the quality levels needed by the City. City staff is working with the design engineer and the construction contractor on potential solutions. This will impact the timing of the Project. Currently, staff's estimate for start-up of the plant is late October, 2015.

Current construction Change Order Authority has been used for unforeseen circumstances including removal of a buried concrete structure in the filter area, rerouting of underground pipe due to an electrical duct bank, and repairs to the reclaimed water tank, in addition to other items. Because, the Project is 80 percent complete, the balance of the current construction Change Order Authority will not be sufficient to cover the anticipated costs of extra work needed to produce quality recycled water. Staff is requesting an additional \$879,000 in Change Order Authority, for a total Change Order Authority of \$1,758,000. With the approach of the summer season, it is essential to move forward as quickly as possible with the necessary repairs. Failure to implement changes as needed will result in a delay of the production of recycled water and require the continued use of potable water to supply recycled water users. As the costs for the total repair are quantified, staff may return to further increase the Change Order Authority.

Council Agenda Report

Increase In Construction Change Order Authority For The Recycled Water Treatment Plant Replacement Project

June 30, 2015

Page 3

To date, MNS Engineers (MNS) has not used any of their extra services funds. Staff recommends increasing the Change Order Authority for MNS by \$386,326 for a total Change Order Authority of \$456,941.40. This will extend the MNS contract for active construction until October, 2015 and start up testing by three months, plus allow MNS to compile information for a potential errors and omissions claim against CDM Smith to recover Project expenses.

Dudek has been providing environmental monitoring and support services for the project. With the extension of active construction and start-up of the project, environmental monitoring performed by Dudek will need to continue until completion. Staff recommends increasing the Change Order Authority for Dudek by \$14,945.95.

An amount of \$49,000 is also requested to be transferred from Reserves for the Project to account for the anticipated increase in staff's time. This increase in budget will allow staff to continue to work on the repair and participate in any claim process for a time frame similar to that mentioned for MNS above. An amount of \$13,000 is requested to be transferred from Reserves for permit application fees with the State Water Resources Control Board.

BUDGET/FINANCIAL INFORMATION:

FUNDING

The following summarizes the additional expenditures recommended in this report:

CONTRACT FUNDING SUMMARY

	Base Contract	Initial Change Order	Increased Change Order	Total
Schock	\$8,490,000.00	\$879,000.00	\$879,000.00	\$10,248,000
MNS	\$706,154.00	\$70,615.40	\$386,326.00	\$1,163,095.40
Dudek	\$60,304.40	\$6,031.00	14,945.95	\$81,281.35
Staff	\$153,061.00		\$49,000.00	\$202,061.00
SWRCB Permit			\$13,000	\$13,000
TOTAL	\$9,409,519.40	\$955,646.40	\$1,342,271.95	\$11,707,437.75

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	Subtotal	\$1,379,870
Construction Contract		\$8,490,000
Construction Change Order Allowance		\$1,758,000
Construction Management/Inspection (by City Staff)		\$202,061
Construction Management (Contract)		\$1,163,095
Design Support Services During Construction (by Contract)		\$540,120
Environmental Monitoring and Support Services (Contract)		\$81,281
Other Construction Costs (testing, etc.)		\$21,000
Construction	Subtotal	\$12,255,557
Total Project Cost		\$13,635,427

Staff requests the transfer and appropriation of funds from Water Fund reserves to the Water Capital Fund to cover the extra work items.

PREPARED BY: Linda Sumansky, Principal Civil Engineer/kts

SUBMITTED BY: Rebecca J. Bjork, Public Works Director

APPROVED BY: City Administrator's Office