



MEMORANDUM

TO: CITY COUNCIL

FROM: CHRISTOPER MAGDOSKU, PUBLIC WORKS DIRECTOR

BY: JILL MCPEEK, CAPITAL IMPROVEMENT PROJECT MANAGER

SUBJECT: CONSIDERATION OF AN ADDITIONAL APPROPRIATION FOR THE MUNICIPAL WATER WELL NO. 11 TREATMENT PLANT CONSTRUCTION, WELL EQUIPMENT AND PIPELINE INSTALLATION PROJECT, PW 2010-07 AND AN AMENDMENT TO THE AGREEMENT FOR CONSULTANT SERVICES

DATE: JULY 25, 2017

RECOMMENDATION:

It is recommended the City Council:

1. Authorize funding to provide for phase 3 electrical service to the Municipal Water Well No. 11 treatment facilities;
2. Approve a Sixth Amendment to the Agreement for Consultant Services ("Sixth Amendment") with Garing, Taylor & Associates construction support services for the subject project and authorize the Mayor to execute the Amendment; and
3. Appropriate \$30,268 from the Water Availability Fund balance for the project.

SUMMARY OF ACTION:

Additional funds and an amendment to a consultant agreement are required to offset unexpected costs to supply power and additional consultant oversight of construction services for the Water Well No. 11 project. In order to proceed with the project, the City Council will need to authorize and appropriate the additional necessary funding, and approve the amendment to the consultant agreement.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

The additional appropriation of \$30,268 is within the Water Availability Fund balance.

BACKGROUND:

On August 24, 2010, the City Council awarded a design contract to Garing Taylor & Associates for the design of the Municipal Water Well No. 11 Treatment Plant on La Canada, Well Equipment and Pipeline Installation Project PW 2010-07. On May 13, 2014, the City Council approved the design and adopted Resolution No. 4584 to approve a Negative Declaration in accordance with the California Environmental Quality Act (CEQA)

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guidelines. The project was advertised on July 14, 2015 and four bids were received; however, the lowest bid was approximately \$146,000 above the Engineer's Estimate of \$317,500. Subsequently, the City Council rejected the bids on August 11, 2015, and the bid documents were revised and the project was advertised again, and the bids were received on March 9, 2017. The lowest bidder withdrew their bid due to a non-responsive bid and the second lowest bidder, Brough Construction Inc. (Brough) was awarded a construction contract at the April 11, 2017 City Council meeting in the amount of \$429,573 which was \$114,173 above the engineer's estimate. The City Council also authorized the City Manager to approve change orders up to 10% of the contract amount (\$42,957), allocated \$274,000 from the available \$1.1M Water Availability Fund Balance which included \$5,000 for the Pacific Gas and Electric Company (PG&E) service extension.

ANALYSIS OF ISSUES:

PG&E

Subsequent to the award of the construction contract, the City paid PG&E an advance payment of \$2,500 of the estimated \$5,000 allocation from the project budget to provide three-phase power to the water treatment facilities. Subsequently, PG&E provided a final contract and remaining balance in the amount of \$26,031.85. This expenditure is significantly higher than originally anticipated and estimated for the project, yet is within the contingency amount of \$42,957. However, the contingencies are reserved for Brough to cover additional construction costs that typically occur during construction. It is recommended and more prudent to request an additional appropriation of \$23,532 from the Water Fund balance to retain the \$42,957 of contingencies for unanticipated construction costs for Brough. Any contingencies that are not used on the project will be returned to the Water Availability Fund balance.

Consultant Services-Amendment to Agreement

As a result of the aforementioned design modifications between 2010 and 2017, consultations, field observations, and revisions to the bid documents, five amendments to the Agreement with Garing Taylor & Associates have been executed to date. During the current construction activities, additional project submittals and requests for information were received from Brough and forwarded to the consulting engineer for review and clarification. This Sixth Amendment to the Consultant Services Agreement includes additional services and increases the "not to exceed" amount of service by \$6,736.06 to cover the additional consultant oversight of the project.

ALTERNATIVES:

The following alternatives are provided for the Council's consideration:

1. Approve staff's recommendations;
2. Do not approve staff's recommendations; or
3. Provide direction to staff.

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ADVANTAGES:

The project is consistent with the Council goals to support city infrastructure and to increase water security and will provide an additional 40 to 50 acre-feet per year of water supply for the City.

DISADVANTAGES:

The appropriation from the Water Availability Fund balance reduces potential funding for future capital projects.

ENVIRONMENTAL REVIEW:

The Council adopted Resolution No. 4584 on May 13, 2014 adopting a Negative Declaration for the project.

PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2.

AGREEMENT FOR CONSULTANT SERVICES

AMENDMENT NO. 6

This Fifth Amendment ("Fifth Amendment") to Agreement for Consultant Services Agreement ("CSA") by and between the **CITY OF ARROYO GRANDE** ("City") and **GARING, TAYLOR & ASSOCIATES, INC.** ("Consultant") is made and entered into this _____ day of _____ 2017, based on the following facts:

WHEREAS, the parties entered into a CSA dated September 20, 2010, for the design and construction services for the Well No. 11 project, PW 2010-07; and

WHEREAS, the parties entered into a First Amendment to CSA dated June 12, 2012, for design services for the Well No. 11 project, PW 2010-07, to revive and extend the contract term to December 31, 2013; and

WHEREAS, the parties entered into a Second Amendment to CSA dated May 28, 2013, for design services for the Well No. 11 project, PW 2010-07, to include additional services and increase the not to exceed cost; and

WHEREAS, the parties entered into a Third Amendment to CSA dated March 11, 2014 for design services for the Well No. 11 project, PW 2010-07, to revive and extend the contract term to December 31, 2015, and to include additional services and increase the not to exceed cost; and

WHEREAS, the parties entered into a Fourth Amendment to CSA dated January 12, 2016, for design and construction services for the Well No. 11 project, PW 2010-07, to revive and extend the contract term to December 31, 2016, and to include additional services and increase the not to exceed cost; and

WHEREAS, the parties entered into a Fifth Amendment to CSA dated April 25, 2017, to revive and extend the contract term for the Well No. 11 project, PW 2010-07 to December 31, 2017; and

WHEREAS, the parties desire to revive and further modify the CSA as set forth herein.

NOW THEREFORE, for valuable consideration the receipt and sufficiency of which is acknowledged, the parties agree as follows:

1. Section 2 ("SERVICES") of the Agreement, shall be amended to include the additional services to the CSA as specified in Exhibit "A" attached hereto and incorporated herein by this reference.
2. Section 5 ("PAYMENT") of the Agreement, shall be amended to increase the "not to exceed" amount from \$110,962.76 to \$117,698.82.
3. Except as modified herein, all other terms and conditions set forth in the CSA, as amended, shall remain in full force and effect.

IN WITNESS WHEREOF, CITY and CONSULTANT have executed this Fourth Amendment on the day and year first set forth above.

CITY OF ARROYO GRANDE

GARING, TAYLOR & ASSOCIATES

By: _____
Jim Hill, Mayor

By: _____

Its: _____
(Title)

Attest:

Kelly Wetmore, Director of Legislative
and Information Services/City Clerk

Approved As To Form:

Heather Whitham, City Attorney



Thursday, July 13, 2017

GTA Job No. AG10-258.001

Jill McPeek
Capital Improvement Project Manager
City of Arroyo Grande
300 East Branch Street
Arroyo Grande, CA 93420

**Subject: Proposed Budget and Scope Amendment No. 6
Construction Administration Services for Well 11 PW 2010-07**

Dear Jill:

As requested we have prepared the following proposal for Contract Amendment No. 6, for the above-referenced project.

Through services completed and invoiced in the month of May, 2017, only \$3,501.44 remained on our engineering services contract, which has been utilized to assist the City and Construction Manager with contractor Requests for Information (RFIs) and material submittal reviews. This letter respectfully requests an amendment to the contract between Garing, Taylor and Associates, Inc. (GTA) and the City of Arroyo Grande, to facilitate payment of additional services already performed, as well as an estimate of additional services required to complete the project. The total requested amendment will add \$6,736.06 to the GTA budget.

Additional services can be directly attributed to a number of material submittals and RFIs which required multiple reviews, field visits, etc. To date, GTA has been asked to review 20 material submittals and 10 RFIs. Two of the submittal reviews required multiple reviews of proposed alternate materials (i.e. the pump system and the well-head itself), while multiple material submittals simply did not meet specifications and required re-submittal and additional review.

The well materials submittals and subsequent RFIs triggered two field visits to Municipal Well 9, and discussion with well-drilling contractors to adequately review the submittals and provide appropriate responses to requests for information. Another RFI asked for additional finish floor grades and grade breaks within the treatment facility. GTA provided this information, though enough information was present within the contract documents for the contractor to complete this task.

Through June, GTA's budget has been exceeded by \$4,786.06. As the job appears to be nearing completion, we anticipate no more than 10 additional Associate Engineer hours, and 4 Principal

Engineer hours. Therefore, in addition to the \$4,786.06 in additional services already performed, GTA respectfully requests an additional \$1,950.00 to see this project through, or a total budget increase of \$6,736.06.

If the content of this request requires any clarification, please reach Ron Reilly or Sean Hummel in our Arroyo Grande office for assistance.

Most Sincerely,
Garing, Taylor and Associates, Inc.

A handwritten signature in blue ink that reads "Ron Reilly". The signature is written in a cursive, flowing style.

Ronald G. Reilly, PE
Vice President / Principal

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