



DATE: March 15, 2006

TO: Honorable Mayor and City Councilmembers

FROM: Barry E. Martin, Water Utilities Director

SUBJECT: **ACCEPTANCE OF IMPROVEMENTS CONSTRUCTED BY J.R. FILANC CONSTRUCTION COMPANY FOR THE SAN LUIS REY WASTEWATER TREATMENT PLANT INTERIM EXPANSION PROJECT; AUTHORIZATION FOR THE CITY CLERK TO FILE A NOTICE OF COMPLETION AND SUBSEQUENT RELEASE OF RETENTION LESS ANY VALID OFFSETS AS DETERMINED BY THE CITY ATTORNEY; AND APPROVAL OF AMENDMENT 1 TO THE PROFESSIONAL SERVICES AGREEMENT WITH CAROLLO ENGINEERS FOR CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES**

SYNOPSIS

Staff and the Utilities Commission recommend that the City Council accept the improvements constructed by the J.R. Filanc Construction Company for the San Luis Rey Wastewater Treatment Plant Interim Expansion project; authorize the City Clerk to record a Notice of Completion and subsequent release of retention less any valid offsets as determined by the City Attorney; approve Amendment 1 in the amount of \$325,000 to the Professional Services Agreement with Carollo Engineers for construction management and inspection services, and authorize the City Manager to execute the amendment.

BACKGROUND

On March 7, 2001, the City Council awarded the contract for the construction of the San Luis Rey Wastewater Plant Interim Expansion project (726-86-9515) to J. R. Filanc Construction Company of Oceanside in the amount of \$52,942,700 and approved a Professional Services Agreement with Carollo Engineers of Oceanside to provide construction management and inspection services in the amount of \$3,986,998 during the construction of the San Luis Rey Wastewater Treatment Plant Interim Expansion project. The San Luis Rey Wastewater Treatment Plant, located at 3950 North River Road (Exhibit A), provides wastewater treatment and disposal for approximately 80 percent of the City. This facility, originally constructed and put into operation in 1974, required expansion to maintain an adequate level of service for a growing population along with rehabilitation and upgrades of existing facilities.

Prior to the expansion, the facility was permitted to treat up to 10.7 million gallons a day and after the expansion, is permitted to treat up to 13.5 million gallons a day. The expansion included rehabilitation and upgrading of various process units, odor control units and support areas of the facility. Additionally, all structural components, yard work and electrical conduit was installed, less the mechanical and electrical equipment required, for the plant's ultimate capacity of 17.4 million gallons a day by the year 2010.

Prior to the expansion, an existing open-ended agreement with the Rainbow Municipal Water District provided them with up to 1.0 million gallons a day capacity rights at the San Luis Rey Wastewater Treatment Plant. Rainbow Municipal Water District requested an additional 0.5 million gallons a day for total capacity rights of 1.5 million gallons a day. That request was subsequently approved by City Council on February 13, 2002. Rainbow has contributed \$5,564,253 toward the construction and administration of the expansion project. The 1.5 million gallons per day is included in the current 13.5 and the ultimate 17.4 million gallons a day capacities.

ANALYSIS

In October 2004, the City received beneficial use of the physical plant but not its offsite control system. Since that time the contractor has been working to complete the remote Supervisory Control and Data Acquisition (SCADA) portion of the project. The City finally took beneficial use of the entire project on January 26, 2006.

At the beginning of the project, unsuitable soils were encountered at the location of the digesters and sludge dewatering building. To correct the unsuitable soils, wick drains and surcharging of the area was required. This was approved in Change Order No. 1. At that time the contractor indicated that they believed that this would cause a delay in the project. Both the contractor and the City looked at various ways to work around the area and also decided to discuss any delay near the end of the project. When the project was almost complete, the contractor and the City agreed that the delay for the unsuitable soils and other change orders would be 100 calendar days. In June 2004, the contractor presented the City with a change order request of over \$1.7 million dollars for the delay. From June 2004 through October 2005, the contractor and the City attempted to negotiate a resolution of the contractor's proposed change order request. In October, the City made a fair and reasonable offer to the contractor for the delay. At that point the contractor refused to negotiate any further. Subsequently, in December 2005 the contractor filed a lawsuit against the City. The lawsuit is now being handled by the City Attorney's Office.

To date the City has approved 71 Change Orders for an additional \$2,480,438 to the original contract amount of \$52,942,700, for a total contract amount of \$55,423,138.

To provide proper construction oversight during the construction of the San Luis Rey Wastewater Treatment Plant Interim Expansion project, the services of a full time

construction management and inspection team were required. Carollo Engineers provided those services during the construction and continued to provide those same services through January 2006 even though their contract ran out in August 2004. Amendment No. 1 is to pay Carollo Engineers for the work they performed from August 2004 through January 2006. Carollo is being paid for past and future services based on 2001 billing rates. In addition, Carollo Engineers will be assisting the City in the defense of the lawsuit brought by the contractor.

FISCAL IMPACT

In Fiscal Year 2000-2001, \$60,000,000 was appropriated from the San Luis Rey Wastewater Treatment Plant Interim Expansion account for construction of the project. The cost of Change Orders 1 through 71 is \$2,480,438 for a total construction cost of \$55,423,138. The cost to provide Construction Management and Inspection with Amendment No. 1 is \$4,311,998 for a total project cost of \$59,735,136.

Funding requirements of the State Revolving Fund loan mandated a 5 percent contingency fund for change orders on the construction project. With the project now complete, change orders total \$2,480,438 (4.69 percent) and are within budget.

COMMISSION OR COMMITTEE REPORT

Does not apply.

CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

INSURANCE REQUIREMENTS

The City's standard insurance requirements will be met.

RECOMMENDATIONS

Staff and the Utilities Commission recommend that the City Council accept the improvements constructed by the J.R. Filanc Construction Company for the San Luis Rey Wastewater Treatment Plant Interim Expansion project; authorize the City Clerk to record a Notice of Completion and subsequent release of retention less any valid offsets as determined by the City Attorney; approve Amendment 1 in the amount of \$325,000 to the Professional Services Agreement with Carollo Engineers of Oceanside for construction management and inspection services, and authorize the City Manager to execute the amendment.

PREPARED BY:



Greg Blakely
Administrative Manager

SUBMITTED BY:



Steven R. Jepsen
City Manager

REVIEWED BY:

Michelle Skaggs Lawrence, Assistant to City Manager _____

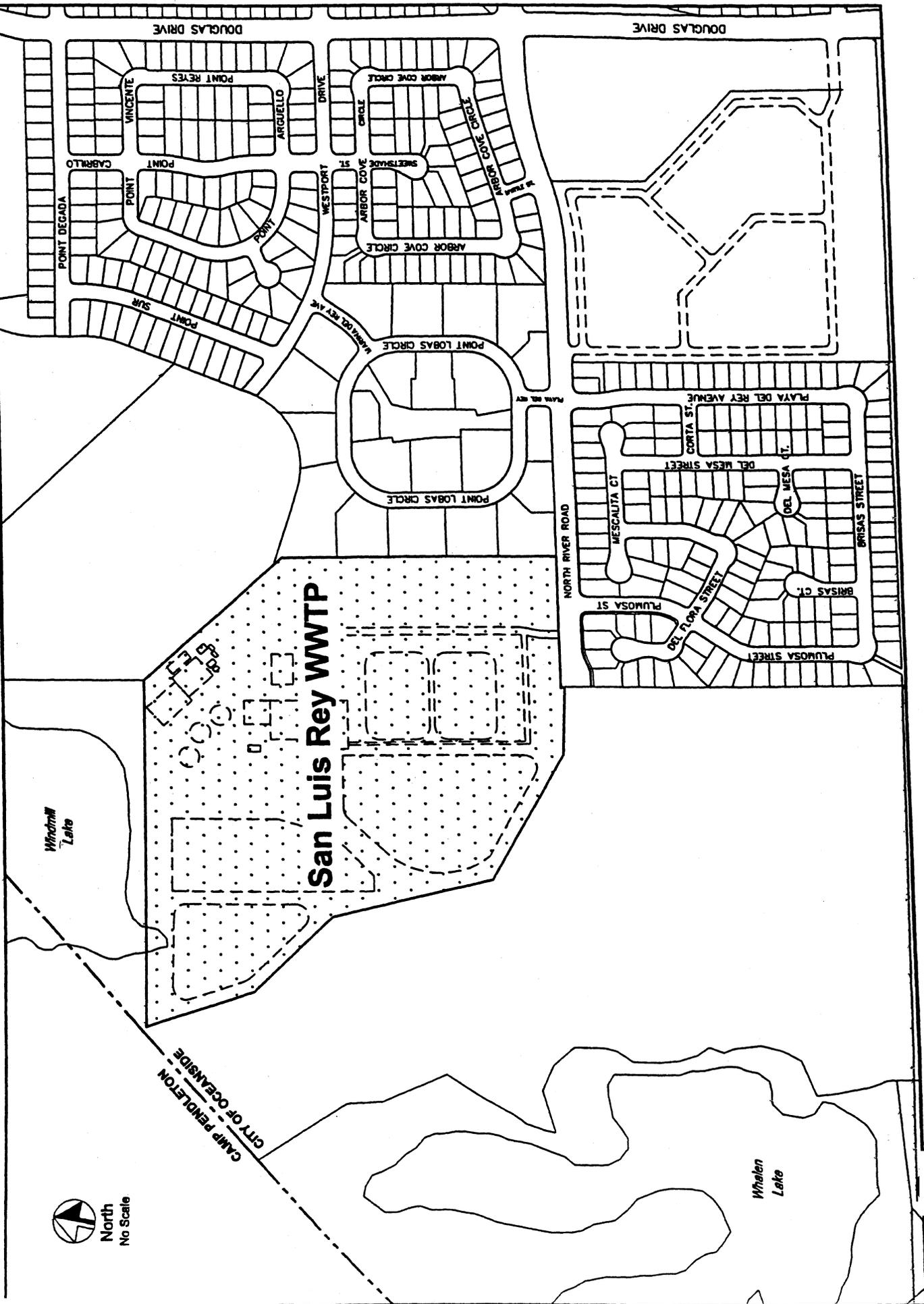
 Barry E. Martin, Water Utilities Director



- Exhibit A - Site map
- Exhibit B - Amendment 1
- Exhibit C - Change order log summary

San Luis Rey Wastewater Treatment Plant

726-86-9515



**CITY OF OCEANSIDE
AMENDMENT TO
PROFESSIONAL SERVICES AGREEMENT**

**PROJECT: SAN LUIS REY WASTEWATER TREATMENT PLANT INTERIM
EXPANSION PROJECT**

THIS AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT

(hereinafter "Amendment") is made and entered this ____ day of _____ 2006, by and between the City of Oceanside, Water Utilities Department, a municipal corporation, hereinafter designated as "DEPARTMENT", and Carollo Engineers of Oceanside, hereinafter designated as "CONSULTANT".

RECITALS

WHEREAS, DEPARTMENT and CONSULTANT are the parties to that certain Professional Services Agreement dated March 7, 2001, hereinafter referred to as the "Agreement", wherein CONSULTANT agreed to provide certain services to the DEPARTMENT set forth therein;

WHEREAS, the parties desire to amend the Agreement to provide for changes and/or modifications to Section 13, Compensation.

AMENDMENT

NOW, THEREFORE, as set forth herein, the parties hereto do mutually agree that the Agreement shall be amended as follows:

1. Section 13, Compensation, shall be amended to reflect that all work performed in accordance with the Agreement dated March 7, 2001, shall not exceed the total contract price of \$4,311,998.

2. Except as expressly set forth in the Amendment, the Agreement shall remain in full force and effect and is hereby ratified and reaffirmed.

SIGNATURES. The individuals executing this Amendment represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Agreement on behalf of the respective legal entities of the CONSULTANT and the DEPARTMENT.

IN WITNESS WHEREOF, the parties hereto being duly authorized on behalf of their respective entities to execute this Amendment, do hereby agree to the covenants contained in the Agreement, including this Amendment and have caused this Amendment to be executed by setting hereunto their signatures this _____ day of _____, 2006.

CAROLLO ENGINEERS

By: _____

Steve Colaris, CEO
Janet [unclear] sec.

CITY OF OCEANSIDE

By: _____

Steve Jepsen, City Manager

APPROVED AS TO FORM:

[Signature]
City Attorney

86-089222

Employer ID No.

NOTARY ACKNOWLEDGEMENTS OF CONSULTANT MUST BE ATTACHED.

San Luis Rey Wastewater Treatment Plant Interim Expansion Change Order Log Summary	
Change Order No. 1	\$8,505.00
Change Order No. 2	\$115,915.00
Change Order No. 3	\$8,238.00
Change Order No. 4	\$9,183.00
Change Order No. 5	\$9,108.00
Change Order No. 6	\$9,021.00
Change Order No. 7	\$9,520.00
Change Order No. 8	\$235,072.00
Change Order No. 9	\$9,862.00
Change Order No. 10	\$7,466.00
Change Order No. 11	\$150,242.00
Change Order No. 12	\$8,518.00
Change Order No. 13	\$7,584.00
Change Order No. 14	\$9,604.00
Change Order No. 15	\$9,983.00
Change Order No. 16	\$7,832.00
Change Order No. 17	\$100,976.00
Change Order No. 18	\$9,682.00
Change Order No. 19	\$9,691.00
Change Order No. 20	\$9,726.00
Change Order No. 21	\$9,242.00
Change Order No. 22	\$9,587.00
Change Order No. 23	\$8,667.00
Change Order No. 24	\$9,700.00
Change Order No. 25	\$107,260.00

San Luis Rey Wastewater Treatment Plant Interim Expansion Change Order Log Summary	
Change Order No. 26	\$9,711.00
Change Order No. 27	\$9,658.00
Change Order No. 28	\$9,808.00
Change Order No. 29	\$9,906.00
Change Order No. 30	\$9,252.00
Change Order No. 31	\$9,528.00
Change Order No. 32	\$110,903.00
Change Order No. 33	\$9,891.00
Change Order No. 34	\$9,483.00
Change Order No. 35	\$9,993.00
Change Order No. 36	\$9,946.00
Change Order No. 37	\$8,472.00
Change Order No. 38	\$9,607.00
Change Order No. 39	\$9,979.00
Change Order No. 40	\$9,214.00
Change Order No. 41	\$9,645.00
Change Order No. 42	\$9,711.00
Change Order No. 43	\$162,242.00
Change Order No. 44	\$326,595.00
Change Order No. 45	\$9,594.00
Change Order No. 46	\$9,924.00
Change Order No. 47	\$9,952.00
Change Order No. 48	\$9,384.00
Change Order No. 49	\$9,739.00
Change Order No. 50	\$9,730.00
Change Order No. 51	\$9,872.00

Change Order No. 52	\$9,132.00
Change Order No. 53	\$306,221.00
Change Order No. 54	\$9,095.00
Change Order No. 55	\$9,999.00
Change Order No. 56	\$9,766.00
Change Order No. 57	\$9,328.00
Change Order No. 58	\$7,650.00
Change Order No. 59	\$9,258.00
Change Order No. 60	\$9,898.00
Change Order No. 61	\$9,051.00
Change Order No. 62	\$9,344.00
Change Order No. 63	\$9,319.00
Change Order No. 64	\$5,838.00
Change Order No. 65	\$134,932.00
Change Order No. 66	\$9,753.00
Change Order No. 67	\$6,639.00
Change Order No. 68	\$189,064.00
Change Order No. 69	\$8,576.00
Change Order No. 70	\$3,749.00
Change Order No. 71	\$1,993.00

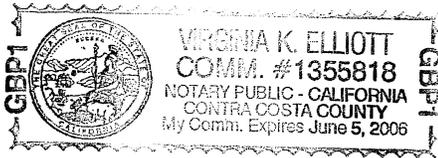
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California }
 County of Contra Costa } ss.

On January 25, 2006, before me, Virginia K. Elliott,
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")
 personally appeared Jamel Demir,
Name(s) of Signer(s)

- personally known to me
- proved to me on the basis of satisfactory evidence

to be the person(x) whose name(x) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(x), or the entity upon behalf of which the person(x) acted, executed the instrument.



WITNESS my hand and official seal.

Virginia K. Elliott
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: City of OceanSide - Amendment to Agreement

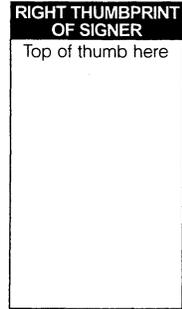
Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

- Signer's Name: _____
- Individual
 - Corporate Officer — Title(s): _____
 - Partner — Limited General
 - Attorney in Fact
 - Trustee
 - Guardian or Conservator
 - Other: _____

Signer Is Representing: _____



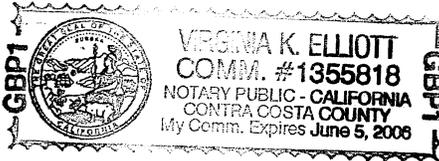
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California }
County of Contra Costa } ss.

On January 30, 2006, before me, Virginia K. Elliott,
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")
personally appeared Sary C. Deis,
Name(s) of Signer(s)

- personally known to me
- proved to me on the basis of satisfactory evidence

to be the person whose name is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature (s) on the instrument the person (s), or the entity upon behalf of which the person (s) acted, executed the instrument.



Place Notary Seal Above

WITNESS my hand and official seal.
Virginia K. Elliott
Signature of Notary Public

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Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

Signer Is Representing: _____

