

STAFF REPORT

DATE: May 19, 2009

TO: Utilities Commission

FROM: Lonnie Thibodeaux, Water Utilities Director

SUBJECT: **RECOMMEND APPROVAL OF AMENDMENT 1 IN THE AMOUNT OF \$180,834 TO THE PROFESSIONAL SERVICES AGREEMENT WITH INFRASTRUCTURE ENGINEERING CORPORATION FOR ADDITIONAL CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES FOR THE LAND OUTFALL EMERGENCY REPLACEMENT PROJECT; AND APPROVE A BUDGET APPROPRIATION OF \$180,834 FROM THE AVAILABLE BALANCE IN THE WASTEWATER EXPANSION PROJECT FUND**

SYNOPSIS

Staff and the Water/Sewer Committee recommend that the Utilities Commission recommend that the City Council approve Amendment 1 in an amount not to exceed \$180,834 to the professional services agreement with Infrastructure Engineering Corporation of Oceanside for additional construction management and inspection services for the Land Outfall Emergency Replacement project located along Oceanside Boulevard; approve a budget appropriation of \$180,834 from the available balance in the Wastewater Expansion Project fund; and authorize the City Manager to execute the amendment (Exhibit A).

BACKGROUND

Infrastructure Engineering's construction management and inspection duties are to ensure that the project is constructed according to the plans and specifications. These duties include day-to-day monitoring and inspection of the work; surveying; special inspections as required; preparation of daily, weekly and monthly reports; processing of proposed change orders; processing submittals and requests for information; maintenance of logs for all correspondence, submittals, requests for information and change orders; attending weekly and monthly progress meetings; and generating and submitting detailed as-built construction drawings.

ANALYSIS

The contractor has fallen behind schedule and will exceed the project deadline by approximately three months. Additional construction management and inspection services beyond the original scope are required to facilitate the completion of this project. In addition to the construction services, CM services will be required to finalize all the Change Orders and Disputes once the field work is complete. A portion of this increase is for overtime inspection required by the contractor; these costs will be

deducted from payments due the contractor. The Contractor is also subject to Liquidated Damages for exceeding the Contract Completion date. The following is a breakdown of the costs:

| | |
|--|--------------------|
| Total Increase to PSA for CM and Inspection | \$180,834 |
| Overtime inspection deducted from Contractor | (\$42,120) |
| Liquidated Damages Assessed to Contractor | <u>(\$120,000)</u> |
| Net Cost to City for increase to PSA | \$ 18,714 |

FISCAL IMPACT

On April 9, 2008, the City Council approved a professional services agreement with Infrastructure Engineering Corporation in the amount of \$364,528. Funds in the amount \$180,834 for Amendment 1 will be appropriated from the available balance in the Sewer Expansion Improvement fund (726.3351) and transferred to the Land Outfall capital improvement project budget (726.865488.5241) for the additional construction management and inspection services necessary to complete the project. The total project cost for construction management and inspections services is \$545,362.

CITY ATTORNEY'S ANALYSIS

The referenced documents are being reviewed by the City Attorney's office.

INSURANCE REQUIREMENTS

The City's standard insurance requirements will be met.

COMMISSION OR COMMITTEE REPORT

The Water/Sewer Committee approved staff's recommendation at its regularly scheduled meeting on May 11, 2009.

RECOMMENDATIONS

Staff and the Water/Sewer Committee recommend that the Utilities Commission recommend that the City Council approve Amendment 1 in an amount not to exceed \$180,834 to the professional services agreement with Infrastructure Engineering Corporation of Oceanside for additional construction management and inspection services for the Land Outfall Emergency Replacement project located along Oceanside Boulevard; approve a budget appropriation of \$180,834 from the available balance in the Wastewater Expansion Project fund; and authorize the City Manager to execute the amendment (Exhibit A).

PREPARED BY:

Greg Blakely
Administration Manager

Exhibit A – Amendment 1
Exhibit B – Proposal

STAFF REPORT

DATE: May 19, 2009

TO: Utilities Commission

FROM: Lonnie Thibodeaux, Water Utilities Director

SUBJECT: **RECOMMEND ACCEPTING \$500,000 IN GRANT FUNDS FROM THE SAN DIEGO COUNTY WATER AUTHORITY LOCAL INVESTIGATIONS AND STUDIES ASSISTANCE PROGRAM FOR THE OCEANSIDE SEAWATER DESALINATION PILOT STUDY AND FEASIBILITY STUDY; APPROPRIATE SAID FUNDS TO THE OCEANSIDE SEAWATER DESALINATION PROJECT; AND AUTHORIZE THE CITY MANAGER TO EXECUTE THE AGREEMENT**

SYNOPSIS

Staff and the Water/Sewer Committee recommend that the Utilities Commission recommend that the City Council accept \$500,000 in grant funds from the San Diego County Water Authority Local Investigations and Studies Assistance Program for the Oceanside Seawater Desalination Pilot Study and Feasibility Study; appropriate said funds to the Oceanside Seawater Desalination project; and authorize the City Manager to execute the agreement.

BACKGROUND

The Integrated Water Utilities Master Plan identified seawater desalination as one of the major alternatives for meeting future potable water demands. To determine if seawater desalination is a viable project, a professional services agreement in the amount of \$1,231,000 was approved by the City Council on March 14, 2007, for Tetra Tech, Inc. to install a pilot desalination facility and conduct a feasibility study.

In January 2007, the San Diego County Water Authority (Water Authority) established the Local Investigations and Studies Assistance Program (LISA) for the purpose of facilitating local agency studies and investigations of new local water supply opportunities. The intent of the LISA program is to encourage, through project funding, local brackish groundwater, seawater desalination, recycled water and conjunctive-use studies and investigations that could lead to local water supply projects that provide new annual supplies or increased dry-year supplies. Staff applied for a LISA grant in August 2008. The Water Authority awarded \$500,000 in LISA grant funds to the City on December 18, 2008 for the Seawater Desalination Pilot and Feasibility Study.

ANALYSIS

The Oceanside Seawater Desalination Pilot and Feasibility Study project includes the construction of a boring and monitoring well, a pilot production well and treatment facilities, the completion of a pipeline alignment study, and project feasibility report. The pilot wells are located in the Oceanside Harbor's east parking lot. The pipeline study will determine the most appropriate alignment from the pilot wells location to the existing Mission Basin Desalting Facility where the seawater will be treated and become an additional source of potable water if the project proves to be feasible.

The LISA program funding awarded by the Water Authority is a matching, reimbursable grant. Expenditures are eligible for reimbursement for work performed after December 18, 2008. Eligible expenditures include third party and specialized in-kind costs. The City's expenditures for the work performed by Tetra Tech are eligible for reimbursement. Since December 18, the City has paid \$286,935 to Tetra Tech. The total expenditures since the project began are \$760,666 with \$470,333 remaining of the authorized amount.

FISCAL IMPACT

The \$500,000 from the San Diego County Water Authority Local Investigations and Studies Assistance Program will be appropriated to the City of Oceanside Seawater Desalination project (715.858247.5241) to reimburse expenditures after December 18, 2008.

COMMISSION OR COMMITTEE REPORT

The Water/Sewer Committee approved staff's recommendation at its regularly scheduled meeting on May 11, 2009.

CITY ATTORNEY'S ANALYSIS

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

RECOMMENDATIONS

Staff and the Water/Sewer Committee recommend that the Utilities Commission recommend that the City Council accept \$500,000 in grant funds from the San Diego County Water Authority Local Investigations and Studies Assistance Program for the Oceanside Seawater Desalination Pilot Study and Feasibility Study; appropriate said funds to the Oceanside Seawater Desalination project; and authorize the City Manager to execute the agreement.

PREPARED BY:

Greg Blakely
Administration Manager