

# STAFF REPORT



ITEM NO. 8  
CITY OF OCEANSIDE

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DATE: January 4, 2012

TO: Honorable Mayor and City Council Members

FROM: Water Utilities Department

SUBJECT: **APPROVAL OF CLOSING CHANGE ORDER 2 TO AMERICAN INDUSTRIAL SERVICES FOR THE CONSTRUCTION OF THE WELL HEAD FACILITIES FOR WELLS 10 & 11 PROJECT**

## **SYNOPSIS**

Staff and the Utilities Commission recommend that the City Council approve closing Change Order 2 to American Industrial Services for the Well Head Facilities for Wells 10 & 11 project for additional work requested by the City, and authorize the City Engineer to execute the Change Order.

## **BACKGROUND**

The Mission Basin Groundwater Purification Facility, located at 215 Fireside Drive, was originally constructed and put into operation in 1994. The original facility produced 2.2 million gallons per day (mgd) of potable water from brackish groundwater by use of a reverse osmosis treatment process. A subsequent expansion project was to bring the capacity of the plant up to 6.37 mgd. This expansion, accepted by Council in February 2003, consisted of three additional production wells, nine monitoring wells, a high and low pump station, an additional reverse osmosis train, and other infrastructure-related work. All work was satisfactorily completed with the exception of the production wells, which when drilled did not produce sufficient quantities for production.

In October 1998, City Council authorized a joint participation agreement between the City of Oceanside, the San Diego County Water Authority (SDCWA) and the Metropolitan Water District (MWD), for participation in the Groundwater Recovery Program (GRP). As part of the GRP study, SDCWA has drilled 11 exploratory wells to map the Basin for possible future use. As part of the drilling project, Oceanside had the SDCWA analyze up to five sites with an emphasis on three that could replace the poorly performing well sites 6, 7 and 8. Three of the sites are within a mile of the Mission Basin Groundwater Facility with one being on the plant site. Well site 9, at the plant site, was drilled by the SDCWA and during the test pumping produced up to 2,220 gallons per minute. Construction of the wellhead facilities for Well 9 was completed in June of 2008 and began producing water shortly after construction was completed. The other two sites, well sites 10 and 11, adjacent to Fire Station 7, were later drilled by the SDCWA.

On December 10, 2008, the City Council approved the plans and specification for the construction of the Well Head Facilities for the Wells 10 and 11 project and authorized the City Engineer to call for bids.

On September 15, 2009, eight bids were received and opened for the Well Head Facilities for the Wells 10 and 11 project. The apparent low bidder was Pascal and Ludwig Constructors with a bid of \$1,347,293. However, shortly after the bids were received and within the requirements outlined in the Bid Documents, Pascal and Ludwig Constructors requested to withdraw their bid. Staff reviewed the request and circumstances thereof and approved the withdrawal. The next lowest bidder was American Industrial Services of Escondido with a bid of \$1,529,471.

On November 18, 2009 City Council awarded the project to American Industrial Services and the Notice to Proceed was issued on January 20, 2010.

Construction began shortly after the notice to proceed was issued on January 20, 2010; construction was completed on September 20, 2011.

On November 30, 2011, City Council accepted the improvements constructed by American Industrial Services for the Well Head Facilities for Wells 10 & 11 project, and authorized the City Clerk to file a Notice of Completion with the San Diego County Recorder.

### **ANALYSIS**

Closing Change Order 2 includes additional work requested by the City to facilitate proper site drainage, a bid unit quantity adjustment, and costs associated with the City Encroachment Permit. The Closing Change Order will increase the total contract by \$7,621. Change Order 1 for additional work requested by the City was administratively approved for an additional cost of \$6,852; resulting in total change order costs of \$14,473 or a 0.9% increase to the total contract cost. The City's informal goal is to keep change orders below 10-15 percent of the total project cost.

### **FISCAL IMPACT**

The Mission Basin Desalter Facility Expansion fund (908742500710.5703.10600) has a balance of \$734,221. The final payment due to American Industrial Services for work completed including Closing Change Order 2 is \$515,770.29. Therefore, adequate funds are available.

### **CITY ATTORNEY'S ANALYSIS**

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

**INSURANCE REQUIREMENTS**

Does not apply

**COMMISSION OR COMMITTEE REPORT**

The Utilities Commission unanimously approved staff's recommendation at its regularly scheduled meeting on December 13, 2011.

**RECOMMENDATIONS**

Staff and the Utilities Commission recommend that the City Council approve closing Change Order 2 to American Industrial Services for the Well Head Facilities for Wells 10 & 11 project for additional work requested by the City, and authorize the City Engineer to execute the Change Order.

PREPARED BY:

  
\_\_\_\_\_  
Greg Blakely  
Administration Manager

  
\_\_\_\_\_  
Peter A. Weiss  
City Manager

REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager

  
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 Cari Dale, Water Utilities Director

  
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Teri Ferro, Financial Services Director

  
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Exhibit A – Closing Change Order 2

**CITY OF OCEANSIDE  
CONTRACT CHANGE ORDER**

**CONTRACTOR:** American Industrial Services

**DATE:** December 1, 2011

**PROJECT TITLE:** Well Head Facilities for Wells 10 & 11

**PROJECT #:** 908742600712

**CHANGE ORDER #:** 2 - Final

**PURCHASE ORDER #:** 1000497

This change order provides for: (describe work to be done, estimate of quantities and prices to be paid, state reason for change)

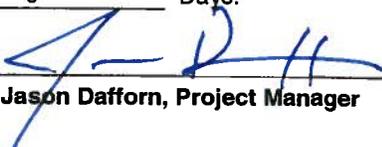
Item	Contractor PCO Number	Description	Amount	Days
1)	PCO #4	City requested final grade changes for the asphalt parking areas at both Wells 10 & 11 to facilitate proper drainage	\$7,244.67	0
2)	N/A	Final quantity adjustment to unit price bid items.	\$650.00	0
3)	N/A	Deduct for Encroachment Permit	(\$274.00)	0
<b>TOTALS THIS CHANGE ORDER</b>			<b>\$7,620.67</b>	<b>0</b>

**RECEIVED**  
DEC 8 2011

This Change Order shall include all general contractor's overhead, profit, and incidentals, and contractor shall not be entitled to any additional payment regarding this Change Order. Prices are for work complete and in place.

Estimated Cost: **Increase** \_\_\_\_\_ **Decrease** \_\_\_\_\_ **No Change** \_\_\_\_\_

By reason of this order the time of completion will be adjusted as follows: 0 Days.

Recommended by:   
**Jason Dafforn, Project Manager**

Contract Summary:

Initial Contract Amount: \$1,529,471.00

Approved: **CITY OF OCEANSIDE**

Previous Change Orders: \$6,852.21

BY: \_\_\_\_\_  
**Scott O. Smith, City Engineer**

This Change Order: \$7,620.67

Approved: American Industrial Services 12-9-11  
**Contractor**

Total to Date: \$1,543,943.88

BY: 

Additional Appropriation Required: No

Original to: **City Clerk**

Copies to: Accounts Payable Contractor

Inspector File