



STAFF REPORT

MEETING DATE: October 9, 2024

PRESENTER: Jesus A. Gonzalez, City Engineer

SUBJECT: Resolution Approving Contract Change Order No. 2 for the Well 33 Pilot Hole Project, and Accepting of the Project and Filing of the Notice of Completion (JG)

RECOMMENDATION: Council by motion adopt the resolution:

1. Approving Contract Change Order No. 2 for the Well 33 Pilot Hole Project to South Valley Companies Inc. in the amount of \$70,500; and
2. Accepting the Well 33 Pilot Hole Project and authorizing the City Engineer to record the Notice of completion.

EXECUTIVE SUMMARY:

On August 06, 2021, the State Water Resources Control Board Division of Drinking Water (DDW) issued the City a compliance order for exceeding the 1,2,3-TCP Maximum Contaminant Level (MCL) at Well 12. Subsequently on August 25, 2022, the DDW issued the City a compliance order for exceeding the Uranium MCL at Well 12. The second order caused the City to re-evaluate improvements to Well 12 with a decision ultimately made for its replacement with Well 33 on the northside of Kearney Boulevard at its intersection with Kenneth Avenue.

On February 14, 2024, following a public bids procurement process, the Well 33 Pilot Hole Project (Project) was awarded by the City Council to South Valley Companies Inc. in the amount of \$386,500. The Project was the first step in the well's development process, consisting of a hydrogeological investigation including well drilling and water testing activities, to a depth of 950 feet, for assessing water quality and production capacity at the proposed Well 33 site.

On February 26, 2024, a construction Notice to Proceed was issued to South Valley Companies Inc. Water sampling activities at the contracted depth of 900 feet indicated the presence of Hexavalent Chromium (Hex-Chrom) in excess of recent State established MCL levels. Based on a need to avoid Hex-Chrom, the City issued Change Order No. 1 (CCO 1) in the amount of \$225,000 for additional hydrogeological investigations to a depth of 1,200 feet.

The additional hydrogeological investigation was intended to consist of sampling of two sand zones. A third zone became necessary due to the presence of Hex-Chrom in the shallow sand zone. The additional cost for the hydrogeological investigation to a depth of 1,200 feet, inclusive of contractor re-mobilization, drilling, water sampling, and pilot hole abandoning is in the amount of \$70,500. Change Order No. 2 (CCO 2) work was started with CCO 1 contingency

funds in the amount of \$38,700. Due to the nature of the activities, upon exceeding CCO 1 contingency fund, the Project was unable to be placed on hold for first obtaining Council approval of Contract Change Order No. 2 as it would have resulted in additional costs due to equipment standby time.

With completion of the work stipulated in Change Order No. 2, the contractor, South Valley Companies Inc. has satisfactorily completed the Project. In order to close-out the Project, City Council must accept the improvements and authorize the recording of Notice of Completion.

FISCAL IMPACT:

The City budgeted \$650,200 for the Project. The final Project cost was \$771,700 including design, construction management, inspection, and contingency. There are sufficient accounts funds in the FY 24/25 Budget to cover the expense in the Major Water Facilities Fund.

ATTACHMENTS:

- A. Resolution
- B. Change Order No. 2