



STAFF REPORT

MEETING DATE: January 24, 2024

PRESENTER: Jesus Gonzalez, City Engineer

SUBJECT: Approval of Contract Change Order No. 1 for the Lions Park Recharge Project

RECOMMENDATION: Council by motion adopt the resolution:

1. Approving contract change order no. 1 for the Lions Park Recharge Project to DG Construction Inc. in the amount of \$128,521.62 and;
2. Authorizing an additional construction contingency in the amount of \$22,200.00 (10% of original construction contract) and;
3. Authorizing the City Manager to sign the change order and subsequent change orders, up to the additional contingency amount on behalf of the City.

EXECUTIVE SUMMARY:

In 2014, the State of California passed the Sustainable Groundwater Management Act (SGMA) requiring local agencies' groundwater consumption not exceed water quantities put back into the underground aquifer (recharge). In 2022, the City entered into an agreement with Fresno Irrigation District (FID) to receive an annual allocation of surface water for increasing its groundwater recharge efforts.

On September 13, 2023, following a competitive bid process, DG Construction was awarded a construction contract in the amount of \$222,770.00 for the installation of an actuated valve, water meter, and associated piping at FID's existing structure located on the west side of Siskiyou Avenue at the Middleton Avenue alignment. The improvements will allow for FID supplied water to be released into the Lions Park drainage basin, where it will percolate into the ground thereby recharging the underground aquifer.

On December 11, 2023, a construction Notice to Proceed was issued to DG Construction. Upon start of construction activities, partially collapsed high-density polyethylene (HPDPE) corrugated pipe was discovered in place of anticipated concrete pipe. The HDPE being inadequate for the use and reducing flow capacity of received FID water, must be replaced with a 24-inch concrete pipe over an approximate length of thirty eight (38) linear feet in a new alignment. Additionally, a gate valve requiring replacement was confirmed to be sixteen (16) inches in diameter rather than the anticipated twelve (12) inches. The additional cost for the installation of the concrete pipe, inclusive of necessary traffic control implementation, HDPE pipe abandonment, and surface restoration and upsizing to the 16-inch replacement gate valve is in the amount of \$128,521.62.

FISCAL IMPACT:

The total estimated Project cost is \$477,300.00, including design, construction management, inspection, change order no. 1 and the additional 10% contingency. The City has received a Proposition 1 Grant from the California Department of Water Resources in the amount of \$207,515.00 for the Project. The construction contract award approved the original \$118,985.00, in excess of Grant award, to be funded from the Water Operations Reserves. Staff recommends the additional \$150,521.62 in costs resulting from change order no. 1 and the request for additional 10% contingency be further funded from Water Operations Reserves, or another source upon Council's direction, bringing the total excess costs to \$269,506.62. If the Project does not move forward at this time, the City will be unable to meet the grant timeline and will be at risk of losing the grant funding.

ATTACHMENTS:

- A. Resolution
- B. Change Order No. 1
- C. Revised Design Exhibit

RESOLUTION NO. 24-___

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KERMAN
APPROVING CONTRACT CHANGE ORDER NO. 1 FOR THE LIONS PARK RECHARGE PROJECT
TO DG CONSTRUCTION INC.**

WHEREAS, the Project consists of the installation of an actuated valve, water meter, and associated piping at the Fresno Irrigation District structure along the west side of Siskiyou Avenue at the Middleton Avenue alignment, within the City of Kerman; and

WHEREAS, on September 13, 2023, following a public bids procurement process, the Project was awarded by the City Council to DG Construction; and

WHEREAS, following issuance of a December 11, 2023, construction Notice to Proceed, construction activities uncovered partially collapsed high-polyethylene (HDPE) pipe in place of anticipated concrete pipe and an undersized 12-inch gate; and

WHEREAS, it is necessary to abandon and replace approximately thirty eight (38) linear feet of existing HDPE pipe with 24-inch concrete pipe as well as implement necessary traffic control, and restore surfaces to their original condition as well as replace the undersized 12-inch gate valve with one of sixteen (16) inches in diameter.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KERMAN as follows:

1. Upon the recommendation of the City Engineer, approval is granted for Change Order No. 1, for the Lions Park Recharge Project, in the amount of One Hundred and Twenty-Eight Thousand and Five Hundred and Twenty-One Dollars and Sixty-Two Cents (\$128,521.62).
2. Approval is granted for an additional Twenty-Two Thousand and Two Hundred Dollars and Zero Cents (\$22,200) contingency (10% of the original contract cost) for use on construction needs.
3. The City Manager is authorized to sign Change Order No. 1, and subsequent change orders up to the additional contingency amount.

The foregoing resolution was introduced at a regular meeting of the City Council of the City of Kerman held on the 24th day of January, 2024, and passed at said meeting by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

The foregoing resolution is hereby approved.

Maria Pacheco
Mayor

ATTEST:

Josie Camacho
Interim City Clerk