

AGENDA STAFF REPORT

MEETING NAME: REGULAR BOARD MEETING
MEETING
DATE(S): OCTOBER 14 & 18, 2021
FROM: Brian Macy – Assistant General Manager



FOR: ACTION X DIRECTION INFORMATION

AWARD OF CONTRACT FOR THE REGIONAL WATER RECLAMATION FACILITY PROJECT AND CAPITAL BUDGET AUGMENTATION

STAFF RECOMMENDATION

Authorize the General Manager to award a contract for the construction of the Regional Water Reclamation Facility Project to J.F. Shea Construction, Inc., the lowest responsible bidder, in the amount of \$40,986,000.00 plus a 5% contingency of \$2,049,300.00 for a total of \$43,035,300.00, augment the capital improvement budget amount to \$51,200,000.00 for Job No. 11424, and to do all things necessary to complete the project.

SUMMARY

The Regional Water Reclamation Facility (RWRF) Project is a vital component in expanding the District's wastewater treatment capacity. The RWRF will construct a 1.5 million gallon per day Sequence Batch Reactor wastewater treatment plant, that will dispose the treated secondary effluent in on-site disposal ponds. The proposed RWRF project also includes an operations and administrative building that houses a solids processing area, chemical storage area, maintenance area, administrative area, electrical room, and blower room. The RWRF project is required to increase the District's total wastewater treatment capacity and alleviate a portion of existing wastewater flows going to the Horton Wastewater Treatment Plant.

ANALYSIS

Staff received and publicly opened five bids as described in greater detail on the attached Recommendation for Award Letter. In addition, said letter includes a full bid tabulation and bidder compliance summary. As described, the engineer's estimate of construction was \$34,000,000, compiled in late 2020. Leading up to that time and continuing through today, prices are considerably higher than anticipated due to supply chain issues, generally related to transportation and delivery constraints in the recent months. Based on discussions with several of the Bidders, the costs for various commodities including cement, pozzolan admixtures, PVC pipe, steel and ductile iron pipe were as much as twice the cost of 2019, before the pandemic in the US and globally. Recent pricing on other CIP projects nationally have been between 40% and 80% above the engineer's estimate, due to these problems.

FISCAL IMPACT AND STRATEGIC PLAN IMPLEMENTATION

The current project budget was established in 2018 at \$28,000,000 to cover design and construction. As noted above, construction costs have continued to rise since then due to economic growth and impacts brought on by the pandemic. Based on actual cost for design, construction and administration, the project now has an estimated total cost of \$51,200,000.00. The District is currently slated to receive at least \$16,000,000.00 in grants toward the project through the State Water Board that will help alleviate the construction cost increase, and fund the remainder through a low interest loan.

ATTACHMENTS

Contract Agreement; Recommendation for Award Letter (with Bid Tabulation and Compliance Summary)