

AGENDA STAFF REPORT

MEETING NAME: REGULAR BOARD MEETINGS

MEETING DATE(S): JANUARY 16 & 21, 2025

FROM: ERIC WECK P.E., ENGINEERING MANAGER

FOR: ACTION X DIRECTION INFORMATION



BOARD ACCEPTANCE OF A CONTRACT CHANGE ORDER WITH J.F. SHEA AND BUDGET AUGMENTATION FOR THE CONSTRUCTION OF THE NANCY WRIGHT REGIONAL WASTEWATER RECLAMATION FACILITY

STAFF RECOMMENDATION

Authorize the General Manager to execute a Contract Change Order with J.F. Shea Construction, Inc. for additional costs due to unforeseen tasks and field issues during construction of the Regional Water Reclamation Facility in the amount of \$1,698,569; and augment the Capital Project Budget \$2,000,000.

SUMMARY

On October 18, 2021, the Board of Directors awarded a contract for the construction of the Nancy Wright Regional Water Reclamation Facility Project (NWRWRF) to J.F. Shea Construction, Inc. (J.F. Shea), in the total amount of \$43,035,300.00. On August 25, 2022, the Board of Directors approved to increase the project contingency from 5% to 10% for a total construction contract amount of \$45,084,600.00. An additional contract change order with J.F. Shea is necessary to cover unforeseen tasks and field issues related to the construction of the NWRWRF.

ANALYSIS

J.F. Shea was affected by issues that impacted their ability to complete the project per the original schedule. There were several significant unforeseen events, including directives for extra work, burrowing owl monitoring, mitigation, relocation, adverse weather days, and delays due to the completion of the Regional Sewer Conveyance Line (RSCL) that have contributed to the overall project delays. The requested Contract Change Order of \$2,508,479.00 was negotiated down to \$1,698,569.00; and is reimbursable through the State of California Grant for the construction of the NWRWRF project. A Contract Change Order is required to avoid litigation of project claims.

FISCAL IMPACT & STRATEGIC PLAN IMPLEMENTATION

The increase in contract costs of \$1,698,569.00 for J.F. Shea is required to bring the project to completion. This action is consistent with Strategic Smart Plan Goal 4.3 Maintain and renew assets while facilitating strategic Capital Improvements.

ATTACHMENTS

PCO-038 Cost Proposal Burrowing Owl Impacts 7/3/24 & LTR-104.1 District Response to PCO No. 38 12/11/24
PCO-080 Cost Proposal Overall Time Impacts 7/3/24 & LTR-109.2 District Response to PCO No. 80 12/11/24
PCO-081 Cost Proposal Electrical Design 7/3/24 & LTR-105.1 District Response to PCO No. 81 12/12/24
PCO-082 Cost Proposal Adverse Weather 7/3/24 & LTR-107.1 District Response to PCO No. 82 12/12/24
Contract Change Order No. 14
Contract between MSWD and JF Shea 12/16/21

FINANCIAL DATA		
Cost Associated with this action:	\$1,698,569	
Current FY cost:	\$1,698,569	
Future FY cost:	0	
Is it covered in current year budget:	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
Budget adjustment needed:	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
If yes, year needed:	FY24/25	
All previous contracts including dates, amounts and board approvals are attached or have been made available.		
FUNDING SOURCES		
Source of funds:	301-Wastewater	
BID/Job#	11424	
Current BID/Job balance	\$1,394,487	
Balance remaining if approved:	\$1,695,918	