

# 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 AMENDMENT WITH TKE ENGINEERING FOR THE REGIONAL WATER RECLAMATION PROGRAM

### STAFF RECOMMENDATION

Authorize the General Manager to execute a contract amendment with TKE Engineering, Inc. for additional costs due to unforeseen tasks and field issues during construction of the Regional Water Reclamation Program in the amount of \$1,229,576.91.

### SUMMARY

On November 15, 2021, the Board of Directors awarded a contract for Construction Management, Inspection, and Related Services for the Nancy Wright Regional Wastewater Reclamation Facility (NWRWRF) Project to TKE Engineering, Inc. (TKE) for the negotiated price of \$3,671,000.00. TKE's initial estimate to complete the necessary services for the NWRWRF, the Regional Sewer Conveyance Line Project (RSCL) and Area M-2 Septic to Sewer construction project equated to \$7.12 million. A contract amendment with TKE is necessary to cover unforeseen tasks and field issues related to the construction of the NWRWRF, Regional Sewer Conveyance Line Project, and anticipated costs for the Area M-2 Septic to Sewer Project.

### ANALYSIS

TKE's original quote of \$7.12 million was negotiated down to \$3.67 million with the understanding that several areas of the scope of work were not fully defined or anticipated, like the presence of burrowing owls, burrowing owl designation being elevated to a "protected species", City and County approvals, and various changes to the design. These items, along with the necessary monitoring wells easement, SCE easement required for the RSCL construction, impacts due to Tropical Storm Hilary, etc., which ultimately increased the time required for inspection, management and supervision services. MSWD requested that the costs be tracked until the end of the construction phases where they could be more defined and accounted for. The requested contract amendment of \$1,229,576.91 is reimbursable through the State of California Grant for the construction of the NWRWRF, RSCL and the Area M-2 Septic to Sewer projects. An in-depth detail of the budget increase is found in the attached 'TKE Budget Increase Request for CM, Inspection and Related Services for the Regional Water Reclamation Facility Project – Dated November 14, 2024'.

### FISCAL IMPACT & STRATEGIC PLAN IMPLEMENTATION

The increase in contract costs of \$1,229,576.91 is required for TKE's out-of-scope work and anticipated costs to bring the three projects to completion. This action is consistent with Strategic Smart Plan Goal 4.3 Maintain and renew assets while facilitating strategic Capital Improvements.

### ATTACHMENTS

TKE Budget Increase Request for CM, Inspection and Related Services for the Regional Water Reclamation Facility Project – Dated November 14, 2024  
Contract between MSWD and TKE dated 11/2/21  
Contract Amendment 1

FINANCIAL DATA		
Cost Associated with this action:	\$1,229,577	
Current FY cost:	\$1,229,577	
Future FY cost:	\$0	
Is it covered in current year budget:	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
Budget adjustment needed:	YES <input type="checkbox"/>	NO <input checked="" 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#	11424,11425,11426	
Current BID/Job balance	\$1,695,918	
Balance remaining if approved:	\$466,341	