



STAFF REPORT

Meeting Type: City Council
Meeting Date: May 18, 2026
From: AJ Thorne, Public Works Director
Subject: Contact Amendments: On-Call Construction Services Cap Increase

DECISION TO BE MADE:

Whether to authorize the City Manager to execute amendments for the two contractors engaged with the City's On-Call Construction Services for Drinking Water and Wastewater Facility Minor Upgrades program; increasing the current not-to-exceed amount from \$5 million to \$6 million for each.

APPLICABLE COUNCIL GOAL:

[Multiple goals](#) related to accomplishment of the City's drinking water and wastewater improvements programs.

BACKGROUND / CONTEXT:

[On May 20, 2024](#), the City passed Resolution 2024-12 granting an exemption from the standard procurement process to create a master services agreement (MSA). This exemption has enabled the City to expedite contracting with a contractor. This resulted in the City issuing a Request for Proposals (RFP) for On-Call Construction Contractor Services for Drinking Water and Wastewater Facility Minor Upgrades.

The On-Call Construction contracts were executed with J.W. Fowler and R.L. Reimers in November 2024. The On-Call Construction contracts were established to complete work required to maintain, repair and upgrade the City's water and wastewater infrastructure assets. These contracts have provided a flexible menu of services targeting smaller or minor upgrades as task orders on an as-needed basis. This has allowed the City to expedite projects and continuity between multiple projects in active construction. The following projects have been completed or are in active construction through

On-Call Construction task orders:

1. Task Order No. 1 – Sandy Pump Station Improvements (complete)
2. Task Order No. 2 – Equalization Basin Expansion (complete)
3. Task Order No. 3 – Effluent Pump Station Expansion (in construction)
4. Task Order No. 4 – WAS/Scum Pump Replacement (in construction)
5. Task Order No. 5 – UV System Replacement

There are additional projects identified to improve the City's infrastructure:

1. Task Order No. Pending – Brownell Springs Overflow Improvements

2. Task Order No. Pending – Sandy Lift Stations (Marcy, Meinig, Jacoby, and Snowberry)
Improvements Program

KEY CONSIDERATIONS / ANALYSIS:

As additional water and wastewater infrastructure projects were identified, it was determined that the existing \$5 million contractor cap under the on-call construction MSA is insufficient. The original procurement anticipated awarding agreements to three on-call contractors; however, only two responsive bids were received. While the overall construction was initially anticipated to be no more than \$15 million, the current contract structure limits available construction capacity to \$10 million based on the \$5 million cap applied to each contractor. This funding level is insufficient to complete the remaining identified projects and does not provide adequate capacity to address potential change orders associated with active construction. It is therefore proposed to increase each contractor's cap from \$5 million to \$6 million, resulting in a total construction increase of \$2 million, to allow completion of the identified projects.

BUDGET IMPACT:

Increase not-to-exceed contract cap from \$5 million to \$6 million per on-call contractor, applied cumulatively across all task orders. Funding for the additional capacity has been designated from remaining American Rescue Plan Act (ARPA) funds or WIFIA funds.

RECOMMENDATION:

Authorize the City Manager to execute amendments with James W. Fowler Co. and R.L. Reimers Company to increase the on-call not-to-exceed amount to \$12 million total, consisting of \$6 million not-to-exceed per contractor.

SUGGESTED MOTION LANGUAGE:

"I move to authorize the City Manager to execute amendments to the on-call water and wastewater construction contracts with James W. Fowler Co. and R.L. Reimers Company, to increase each of their not-to-exceed limits from \$5 million to \$6 million."

LIST OF ATTACHMENTS / EXHIBITS:

- Two Draft Contract Amendments