



BUSINESS OF THE CITY COUNCIL CITY OF SNOQUALMIE

AB24-076
June 24, 2024
Choose an item.

AGENDA BILL INFORMATION

TITLE:	AB24-076: Water Reclamation Facility Phase 3 Improvements Project Update and Contract Change Order No. 1	<input type="checkbox"/> Discussion Only
PROPOSED ACTION:	Approve Change Order No. 1 with Prospect Construction	<input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution

REVIEW:	Department Director	Jeff Hamlin	Click or tap to enter a date.
	Finance	Janna Walker	6/12/2024
	Legal	David Linehan	6/13/2022
	City Administrator	Mike Chambless	6/13/2024

DEPARTMENT:	Parks & Public Works		
	STAFF: Andrew Vining, Project Engineer		
	COMMITTEE: Parks & Public Works		COMMITTEE DATE: June 18, 2024
	EXHIBITS: 1. Change Order No. 1 2. WRF Phase 3 Aerial Overview 3. CIP Excerpt		

AMOUNT OF EXPENDITURE	\$ 99,520
AMOUNT BUDGETED	\$ 13,357,000
APPROPRIATION REQUESTED	\$ 461,781

SUMMARY

INTRODUCTION

WRF Phase 3 Improvements will increase sewer treatment capacity, enhance performance, and replace critical components that are nearing the end of their expected service life. Project construction is approximately 50 percent complete and remains on schedule for completion in early 2025. During the first half of construction necessary out-scope-services were identified and are presented in Change Order 1.

LEGISLATIVE HISTORY

A construction contract for the Water Reclamation Facility (WRF) Phase 3 Improvements was approved on June 18, 2023 under Agenda Bill AB23-078.

BACKGROUND

The 2021 General Sewer Plan (GSP) identified the need to begin the planning process and increase the WRF capacity. The WRF Phase 3 Improvements will upgrade aging components with new more efficient equipment sized to handle future sewer flows and loads projected through the year 2040.

In May 2022, during WRF Phase 3 preliminary design, the City entered into an agreement with the Snoqualmie Tribe for the provision of added sewer utility service related to Casino expansion scheduled to soft start in fourth quarter 2024. The agreement included General Facility Charges (GFCs) as well as project schedule milestones to ensure that commercially reasonable and best efforts are made such that added sewer utility services will be available for the soft opening.

The WRF Phase 3 Improvements were advertised to bidders on April 21st, 2023. Three bids were received, and the lowest bid was from Prospect Construction, Inc. for \$11,079,950 including tax. City staff and consultants determined Prospect Construction, Inc. to be the lowest responsive and responsible bidder. Project construction at the WRF began in September 2023.

ANALYSIS

The first half of construction is progressing ahead of schedule with no major changes. Noteworthy milestones include completion of a new blower building, retrofit of oxidation ditch No. 2, and installation of City purchased electrical gear and headworks screen. During early stages of construction minor changes were necessitated and are summarized in Exhibit 1, Change Order 1. The largest of the changes represents two catwalk extensions needed for operators to readily access and service equipment. Other changes include backup generator support during an overnight plant power shutdown needed to safely replace electrical gear. Cost savings include elimination of site fencing and water spigots determined unnecessary for the project.

BUDGET IMPACTS

Administration recommends approving a contract change order with Prospect Construction, Inc. in the amount of \$99,520 to complete the WRF Phase 3 Improvements. This project is incorporated in the 2023-2028 Capital Improvement Plan (CIP) (See Exhibit #4). The 2023-24 Amended Budget appropriates \$13,357,000 for this project within the Utility Capital Fund (#417). In AB23-078, the 1040 Zone Projects' budgets were added to the original WRF Phase 3 budget, for a life-of-project budget of \$16,050,217 and a 2023-24 Biennial Budget of \$14,145,000. In the current biennium \$8,722,304 has been spent, with \$6,847,272 in outstanding contract value and an estimated \$204,047 remaining biennial labor cost for city employees. With the addition of construction Change Order No. 1, the project is \$1,728,142 over budget for the current biennium, as shown in the table below or on the next page. The life-of-project budget overage is \$528,607, which represents about 3.5% of the original life-of-project budget.

WRF Phase III

	Life-of-Project Budget (Multiple Bienniums)	2023-2024 Biennial Budget
Beginning Budget	\$ 15,262,217	\$ 13,357,000
1040 Zone Reservoir Addition Project (AB23-078)	\$ 394,000	\$ 394,000
1040 Zone Booster Pump Station (AB23-078)	\$ 394,000	\$ 394,000
Adjusted Budget	\$ 16,050,217	\$ 14,145,000
Expenditures	\$ (9,427,985)	\$ (8,722,304)
Outstanding Contract Value (Previously approved)	\$ (6,847,272)	\$ (6,847,272)
Estimated Labor Value for Remainder of Biennium (City Employees)	\$ (204,047)	\$ (204,047)
Current Available Budget	\$ (429,087)	\$ (1,628,622)
Value of this Contract (AB24-076)	\$ (99,520)	\$ (99,520)
Available Budget after AB24-076	\$ (528,607)	\$ (1,728,142)

The WRF Phase 3 Improvement Project is expected to be completed during the 2025-26 biennium and current forecasts anticipate that \$1,266,361 of this budget overage will occur after the 2023-24 biennium ends. At this time Administration anticipates bringing forward a budget amendment for the 2023-24 biennial budget that would increase the biennial appropriation for this project by \$461,781.

The table below shows a comparison of life-of-project costs included within the 2023-2028 CIP as compared to current expenditures and encumbrances. The \$99,520 contract change order with Prospect Construction Inc. is included as a part of the Construction line item.

<i>Project Activities</i>	<i>% of Budg.</i>	<i>Total Adjusted Activity Budget (including 1040 Booster Projects)</i>	<i>% of Actual</i>	<i>Previously Spent or Encumbered</i>	<i>Under / (Over) Spend</i>
Design	5%	\$ 767,218	8%	1,294,273	(527,055)
Construction	67%	\$ 10,714,461	80%	13,227,263	(2,512,802)
Const. Management	9%	\$ 1,488,969	9%	1,531,095	(42,126)
Contingency	12%	\$ 1,985,292	0%	-	1,985,292
Labor	4%	\$ 597,954	3%	529,015	68,939
Other	3%	\$ 496,323	0%	-	496,323
Total	100%	\$ 16,050,217	100%	16,581,646	(531,429)

NEXT STEPS

Following Council approval City staff will work with the Mayor to execute contract Change Order No. 1 with Prospect Construction Inc. The new process startup at oxidation ditch No. 2 is scheduled to occur this summer. Following startup, the remaining ditch will be retrofitted along with completion grit system, solids handling facility improvements, and Kimball Creek Lift Station Improvements.

PROPOSED ACTION

Move to approve Change Order 1 with Prospect Construction for additional out-of-scope services during construction and authorize the Mayor to sign.