



Meeting Date: 11:18:2008

ACTION	TYPE OF ITEM
<input type="checkbox"/> Approved Recommendation	<input checked="" type="checkbox"/> Info/Consent
<input type="checkbox"/> Ord. No(s). _____	<input type="checkbox"/> Report
<input type="checkbox"/> Res. No(s). _____	<input type="checkbox"/> Public Hearing
<input type="checkbox"/> Other _____	<input type="checkbox"/> Other

Prepared By: Anthony Emmert *AE* Agenda Item No. *Ag I-13*

Reviewed By: City Manager *JEB* City Attorney *JD* Finance *JK* Public Works

DATE: November 7, 2008

TO: City Council

FROM: Ken Ortega, Public Works Director *KEO*  
Public Works Department, Utilities Services Branch

**SUBJECT: First Amendment to Agreement with Biwater AEWT, Inc. for supply and delivery of reverse osmosis membrane system equipment for the Blending Station No. 1 GREAT Program Desalter located at 251 South Hayes Avenue.**

**RECOMMENDATION**

That City Council approve and authorize the Mayor to execute the First Amendment to the Agreement with Biwater AEWT, Inc. ("Biwater") to increase the amount by \$190,987 for a total of \$2,957,771 for supply and delivery of reverse osmosis ("RO") membrane system equipment for the Blending Station No. 1 GREAT Program Desalter ("Desalter") (Agreement No. 3570-05-PW).

**DISCUSSION**

The Desalter is scheduled to come online very soon and will utilize RO treatment technology to produce extremely high-quality potable water to be blended with the local groundwater produced by the City-owned Blending Station No. 1 Wellfield No. 2. Initially, the Desalter will be capable of producing 7.5 million gallons of water per day with an eventual capacity of 15 million gallons per day.

The Agreement with Biwater provides for furnishing all materials, equipment, supplies and services, and performing all labor required to supply the equipment, components, and Special Services, including:

- RO membrane elements and pressure vessels
- Four (4) high-pressure cartridge filters
- Three (3) RO desalination "skids"
- Three (3) low-pressure energy recovery units
- Clean-In-Place System
- Appurtenant equipment, piping, instrumentation, and components for a fully functional desalination system
- Special Services including engineering, shop drawing preparation, and field assistance including engineering support during the bid period for the Construction Contractor, during installation of the equipment, and during startup of the facility.

**First Amendment to Agreement with Biwater AEWT, Inc. for supply and delivery of reverse osmosis membrane system equipment for the Blending Station No. 1 GREAT Program Desalter located at 251 South Hayes Avenue**

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Amendment No. 1 to the Agreement with Biwater includes an additional \$92,588 necessary to cover price increases in the RO membranes due to construction delays, as well as to purchase optional items as stated in the original agreement Exhibit B: Bid Schedule and Payment Terms. RO membranes perform the essential function of removing salt from water to produce a potable water source for customer delivery. Due to unforeseen circumstances and subsequent construction delays, the Desalter building was not prepared to receive the RO membranes for installation as originally planned and scheduled. These delays resulted in an approximate fifteen percent (15%) price increase in the cost of delivery due to material and construction cost price index escalation.

Water Resources Division staff has determined the following optional items to be necessary to minimize the Desalter's operational downtime:

- Recommended Spare Parts (\$11,500)
- Additional 5-Day Field Services (\$1,500)
- Spare Stand-By Energy Recovery System ("ERS") Unit (\$81,654)

All costs for optional items – excluding Additional 5-Day Field Services – include a fifteen percent (15%) price increase from the purchase price stated in the original agreement, due to material and delivery cost increases during the span of the construction delays.

Two percent (2%) of the \$187,242 cost increase for the additional work has been added to the agreement total to cover Biwater's performance bond premium, per Section 3-3.2.3 of *Greenbook Standard Specifications for Public Works Construction, 2006 Edition*. Section 3-3.2.3 states: "The Contractor shall also be compensated for the actual increase in the Contractor's bond premium caused by the extra work."

The following table summarizes the additional costs required for project completion:

<b>Description</b>	<b>Cost</b>
RO Membrane Element	\$92,588
Recommended Spare Parts	11,500
Additional 5-Day Field Services	1,500
Spare Stand-By ERS Unit	81,654
<b>Subtotal</b>	<b>\$187,242</b>
Performance Bond Increase (2%)	3,745
<b>Total</b>	<b>\$190,987</b>

**FINANCIAL IMPACT**

The cost of the First Amendment is \$190,987, bringing the total cost of the agreement to \$2,957,771. There are sufficient funds in Account No. 601-6552-821-8604, Project No. 066009 GREAT Station No. 1 Desalter, to cover the cost of the agreement.

**FIRST AMENDMENT TO AGREEMENT FOR GOODS AND SPECIAL SERVICES**

This First Amendment to Agreement for Goods and Special Services ("First Amendment"), dated November 18, 2008 is entered into by and between the City of Oxnard, a municipal corporation ("City"), and Biwater AEW, Inc. ("Consultant"), and amends that certain Agreement for Goods and Special Services ("the Agreement") entered into on the 22<sup>nd</sup> day of July 2005.

- A. City and Consultant agree that the Agreement is amended as follows:
  - 1. In Exhibit B of the Agreement, the following services shall be included:  
Optional Item Nos. 1A Recommended Spare Parts and 2A Additional 5-Day Field Services, and Additional Optional Items 4A(a) Spare Stand-By ERS Unit.
  - 2. In Exhibit B of the Agreement, the figure "\$2,766,784" is deleted and replaced with the figure "\$2,957,771".

B. City and Consultant further agree that as so amended by the First Amendment, the Agreement shall remain in full force and effect.

CITY OF OXNARD

CONSULTANT

\_\_\_\_\_  
Dr. Thomas E. Holden, Mayor

\_\_\_\_\_  
Hany Said, Vice President  
Biwater AEW, Inc.

ATTEST:

\_\_\_\_\_  
Daniel Martinez, City Clerk

APPROVED AS TO FORM:

APPROVED AS TO INSURANCE:

\_\_\_\_\_  
Alan Holmberg, Acting City Attorney

\_\_\_\_\_  
James Cameron, Risk Manager

APPROVED AS TO CONTENT:

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Ken Ortega, Public Works Director