



Meeting Date: 01/25/11

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 (Info/consent)
<input type="checkbox"/> Other	<input type="checkbox"/> Other

Prepared By: Lou Balderrama, City Engineer IB Agenda Item No. F-13
 Reviewed By: City Manager [Signature] City Attorney [Signature] Finance [Signature] Public Works [Signature]

DATE: January 14, 2011
TO: City Council
FROM: Rob Roshanian, ^{RR} Interim Public Works Director
 Public Works Department
SUBJECT: Change Order No. 13 to Contract No. A-7259 with McCarthy Building Companies, Incorporated for the Advanced Water Purification Facility

RECOMMENDATION

That City Council approve and authorize the Mayor to execute Change Order No. 13 to Public Works Contract No. A-7259 with McCarthy Building Companies, Inc. in the amount of \$475,358 for the costs associated with accelerating the construction of the Advanced Water Purification Facility (AWPF) Administration/Visitor’s Building for the completion and production of recycled water by September 30, 2011 in compliance with requirements to receive \$20 million in federal grant monies from the United States Bureau of Reclamation (BOR) Water Reclamation and Reuse Program Grant under Title XVI.

DISCUSSION

The Council-approved Groundwater Recovery Enhancement and Treatment (GREAT) Program is a regional water resources project designed to improve the City’s water supply reliability through 2020. A major component of the GREAT Program is the AWPF. The AWPF is designed to treat 7.81 million gallons per day of secondary effluent from the Oxnard Wastewater Treatment Plant that is now being discharged to the Pacific Ocean to produce 6.25 million gallons per day of highly purified recycled water. The use of this recycled water for landscape irrigation and industrial processes will directly offset the use of potable water for existing and new water customers. The use of recycled water for agricultural irrigation and groundwater injection will produce groundwater credits, which the City will use to pump groundwater from areas not subject to seawater intrusion.

BOR awarded the City a Title XVI grant for up to \$20,000,000 toward the construction of the AWPF and associated recycled water piping, with the requirement to complete construction by September 2011. Certain portions of the AWPF Project are ineligible for this federal grant funding, including the visitor’s center portion of the Administration/Visitor’s Center Building.

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On July 21, 2009, the City Council approved Project Specification PW07-21 for the construction of the AWPf, located at 5700 South Perkins, and authorized staff to solicit construction bids. The associated agenda staff report described staff's ongoing effort to evaluate potential value engineering and redesign options to reduce the construction costs of the AWPf Administration/Visitor's Center Building, as a significant portion of the Building was not eligible for BOR funding, but was to be funded by Water Revenue Bonds proceeds. This effort was assisted by CH2M Hill, the designer of the AWPf facility.

Following a competitive bid process, the City awarded the construction of the AWPf Project to McCarthy Building Companies, Incorporated (McCarthy) for \$52,572,000. McCarthy started construction in February 2010.

City staff and CH2M Hill continued to explore options to reduce the construction costs of the AWPf. On April 23, 2010, City staff requested McCarthy to temporarily stop construction activities on the Administration/Visitor's Center Building and to join the effort to explore options to reduce the construction costs of the Building.

A project alternative was created, evaluated, taken to a conceptual design stage, and presented to City Council. On July 27, 2010, after considering the merits of the two alternatives, the City Council directed staff to proceed with construction of the original design of the Building.

On July 28, 2010, City staff directed McCarthy to proceed with constructing the original design. Staff requested that McCarthy confirm that the overall AWPf Project could still be constructed on schedule to satisfy BOR funding requirements, and identify and substantiate any potential cost impacts resulting from the delay. McCarthy confirmed that the AWPf Project could still be constructed on schedule; however, it would require a revised plan that combines acceleration of the schedule, modifications of project milestones and development of interim operating strategies.

Change Order No. 13 represents the additional construction costs of implementing the revised plan, including accelerating the schedule, modifying project milestones and developing interim operating strategies to mitigate the construction delays that occurred from April 23, 2010 through July 28, 2010. Change Order No. 13 meets the City's goal to achieve the BOR Title XVI grant funding requirements to deliver recycled water by September 2011 and minimizes associated construction cost impacts.

FINANCIAL IMPACT

The cost of Change Order No. 13 is funded by the AWPf Project No. 066010 in the amount of \$475,358 from Account No. 609-6553-821-8610.

Attachment #1 Change Order No. 13 to Public Works Contract No. A-7259

Note: Change Order No. 13 to Public Works Contract No. A-7259 has been provided to the City Council. Copies are available for review at the Help Desk (second floor) in the Main Library after 6:00 p.m. on the Thursday prior to the Council meeting, and at the City Clerk's Office after 8:00 a.m. on Monday.