



Meeting Date: 06/28/11

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 Agenda Item No. **I-17**
 Reviewed By: City Manager [Signature] City Attorney [Signature] Finance [Signature] Public Works

DATE: June 20, 2011

TO: City Council

FROM: Rob Roshanian, Interim Public Works Director
Public Works Department [Signature]

SUBJECT: Water Blending and Pumping Station No. 6 Special Budget Appropriation

RECOMMENDATION

That Council approve a special budget appropriation to transfer funds in the amount of \$130,000 to the Blending Station No. 6, 251 South Hayes Avenue, Project No. 116501 from the following: 1) \$60,000 from Water Operating Fund 601 Account No. 601-6010-891-8606, and 2) \$70,000 in interest earnings from the 2006 Water Bonds.

DISCUSSION

The Water Blending and Pumping Station Number 6 (Blending Station No. 6) Project is located at the Water Campus, and is currently under construction. The Blending Station No. 6 will allow the City to better utilize the high-quality treated groundwater from the adjacent Desalter facility in varying operating conditions, and will therefore minimize the need for costly water transmission capacity pipeline projects in the future. Construction is scheduled to be completed in August 2011. Staff expects the Project to exceed its original budget by approximately \$130,000, due to the addition of a task to replace leaking existing chemical lines, and the need to minimize impacts upon and coordinate with the existing water system facilities and systems.

During construction, the City's contractor, HPS Mechanical, Inc., (HPS) discovered leaks in the existing chemical piping adjacent to the work site. Further investigation revealed that the existing chemical lines are in need of replacement. The Blending Station No. 6 scope of work involves the installation of additional chemical lines in the immediate vicinity of the leaking old lines. Staff recommends moving forward with replacement now, as doing so would: 1) reduce the risk of a chemical spill if the old chemical lines fail, 2) save the City money by reducing administration, design, mobilization and demobilization costs of bidding and constructing the work separately, and 3) reduce further disruption to ongoing operations at the Water Campus. This change order is being processed under Council Item I-2 Agreements for City Review. Cost for this work was not included in the original

Project scope or budget, and will require additional appropriation. The cost for the work is not expected to exceed \$60,000.

Additionally, City staff anticipates unbudgeted expenditures associated with the need to integrate the new Blending Station No. 6 with the existing water system's physical facilities, sampling equipment, and computer control system, materials testing fees, inspection fees and administrative fees. Staff is currently negotiating with HPS on several smaller change orders. Cost for this work and these fees were not included in the original Project budget, and will require additional appropriation. The cost of the work and fees is not expected to exceed \$70,000.

FINANCIAL IMPACT

The estimated cost of all anticipated change orders and fees needed to complete the Project is not more than \$130,000. There are sufficient funds in Water Operating Fund 601 Account No. 601-6010-891-8606, and in interest earnings from the 2006 Water Bonds to cover the anticipated costs.

Attachment No. 1 –Special Budget Appropriation

CITY OF OXNARD

REQUEST FOR SPECIAL BUDGET APPROPRIATION

To the City Manager:

June 28, 2011

Request is hereby made for an appropriation of total \$ 130,000

Reason for appropriation: To fund change orders for the Water Blending and Pumping Station No. 6 Project

<u>FUND</u>	<u>DESCRIPTION/ACCOUNT</u>	<u>AMOUNT</u>
Water Operating (601)	Machinery & Equip - New 601-6010-891-8606	(60,000)
Water Operating (601)	Blending Station #6 601-6539-821-8208 (116501)	60,000
Net Estimated Change to Fund Balances		<u>0</u>
2006 Water Bonds (601)	Blending Station #6 601-6539-821-8604 (116501)	70,000
Net Prior-Year Interest Earnings Estimated Change to 2006 Water Bonds		<u>(70,000)</u>



Manager

CHIEF FINANCIAL OFFICER

REQUIRES CITY COUNCIL APPROVAL



Disposition	Approved _____ Rejected _____
Transfer by Journal Voucher	_____ City Manager