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Attachments: 1. WPCP Construction Overview -IL, 2. Admin Building

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Staff Report for a Resolution Accepting the Work of the Water Pollution Control Plant Rehabilitation Project, Project No. 08-593-52-239

SUMMARY AND RECOMMENDATIONS

Staff recommends acceptance of the work, filing of the Notice of Completion, and authorizing the City Manager to release the performance and payment bonds, and upon completion to the satisfaction of the City Engineer of the one-year maintenance period, to release the maintenance bond for the subject project.

BACKGROUND

The City owns and operates a sewage treatment facility on twelve acres of land known as the Water Pollution Control Plant (WPCP) located at 3000 Davis Street. This facility treats residential, commercial, and industrial wastewater from two-thirds of the City before it is transferred to the East Bay Dischargers Authority and ultimately pumped to the San Francisco Bay. The plant operates under a permit from the Regional Water Quality Control Board and is authorized to treat up to 7.6 million gallons per day (mgd) average dry weather flow and 22.3 mgd average wet weather flow.

The WPCP was originally constructed circa 1938, and a major expansion was done in 1970 to keep up with changing wastewater regulations. A comprehensive condition and process study was done in 2005 that identified maintenance, replacements, and upgrades necessary to maintain treatment capacity, increase redundancy, and improve reliability.

From the 2005 study, the following work was included in the WPCP Rehabilitation project:

Construction of the following new facilities

1. Primary Clarifier
2. Biofilters for odor control

3. Electrical Building and 6kw electrical service for entire plant
4. Fixed Film Reactor (FFR) Recirculation Structure
5. Grit Facility
6. Equalization pond

Replacement of the following existing facilities

1. Fixed Film Reactor (FFR)
2. FFR Lift Station
3. Headworks and Influent Pump Station
4. Primary Effluent Flow Equalization Facilities (EQ)
5. Backup power system

Renovation of the following existing facilities

1. Two primary clarifiers
2. Two secondary clarifiers
3. Three digesters
4. Equalization tanks
5. Equalization return pump station
6. Renovation and expansion of the Administration Building

Attached is a map of the project that shows new infrastructure in red and renovated infrastructure in green as well as a picture of the renovated and expanded Administration Building.

The project was designed by Carollo Engineers under a contract awarded in 2008. S.J. Amoroso completed construction of the improvements under a contract awarded in 2011.

The project was funded with WPCP enterprise funds and a loan from the Clean Water State Revolving Fund (SRF), a program of the US Environmental Protection Agency.

While this project addressed many of the current needs at the WPCP, it has neither addressed every issue nor has it addressed potential changes in the Water Board permit that could require higher effluent quality. In addition to ongoing maintenance, there are three significant outstanding items that will be addressed under separate construction contracts:

1. Demolition of the old FFR will be put out to bid as soon as regulations regarding the disposal of the material have been resolved.
2. Reuse, or possibly disposal, of the excess dirt generated by the construction will be put out to bid as soon as a permit is obtained from the Water Board for this activity.
3. AC pavement replacement in the areas not rebuilt under this contract will be put out to bid as soon as design is complete.

Items 1 and 2 on the list above are part of the WPCP rehabilitation project, item 3 is a separate project with its own budget.

The WPCP rehabilitation project has eliminated the City's maintenance backlog and replaced equipment and structures that had reached the end of their useful lives. The project restored treatment capacity of the plant to permitted levels and with increased flow equalization capacity, which will allow more controlled flow through the system. This functionality dramatically improves the quality of the treatment and the discharged water into the San Francisco Bay. With the largest public

works project in the history of San Leandro now complete, the City has the newest wastewater treatment facility in the East Bay that protects valuable aquatic resources as well as public health.

Analysis

Construction of the contracted work is complete and compliant with the project specifications and City standards.

The total contract cost listed below is an estimate and may change as the following significant issues are not yet resolved with the contractor:

1. potential and alleged delay costs,
2. potential imposition of liquidated damages, unresolved change orders and
3. credits for work removed from the contract.

Nevertheless, State Public Contract Code section 7107 requires that we accept the work and file a notice of completion when construction ceases. Staff recommends that the City Council accept the construction contract as complete while the resolution of the aforementioned issues continues between staff and the contractor. Staff will present the resolutions of these issues to the City Council at a future date, including the resulting total contract amount.

Current Agency Policies

- Ensure well-maintained sewer facilities.

Previous Actions

- On September 8, 2015, by Resolution No. 2015-153, the City Council authorized the City Manager to negotiate and approve individual change orders of up to 10% of the original contract amount; and authorized the City Manager to negotiate and approve cumulative change orders of up to 25% of the original contract amount on existing construction contracts including the construction contract for the WPCP Rehabilitation Project.
- On July 20, 2015, by Resolution No. 2015-133, the City Council approved appropriations in the amount of \$453,000.00 from the WPCP Enterprise Fund Unrestricted Fund Balance to the WPCP Rehabilitation Project.
- On January 21, 2014, by Resolution No. 2014-005, the City Council approved appropriations in the amount of \$2,650,000.00 from the WPCP Enterprise Fund to the WPCP Rehabilitation Project
- On July 5, 2011, by Resolution No. 2011-136, the City Council approved appropriating funds totaling \$43,000,000 from the State Revolving Fund Financing for the WPCP Rehabilitation Project (appropriated \$43,000,000.00).
- On July 5, 2011, by Resolution No. 2011-135, the City Council approved appropriating Funds from the WPCP Enterprise Fund for the WPCP Rehabilitation Project (appropriated \$7,000,000.00).
- On July 5, 2011, by Resolution No. 2011-134, the City Council approved a Consulting Services Agreement with Construction Testing Services, Inc. related to the WPCP Rehabilitation Project in the amount of \$125,057.00.
- On July 5, 2011, by Resolution No. 2011-133, the City Council approved a Consulting Services

Agreement with Carollo Engineers related to the WPCP Rehabilitation Project in the amount of \$3,231,229.00.

- On July 5, 2011, by Resolution No. 2011-132, the City Council awarded a construction contract to S.J. Amoroso Construction Company, Inc., for the WPCP Rehabilitation Project in the amount of \$40,127,000.00.
- On June 21, 2011, by Resolution No. 2011-008, the City Council authorized the City Manager to dedicate net revenue from the WPCP Enterprise Fund to repay the State Revolving Funding Program financing for the construction of the WPCP Rehabilitation Project.
- On February 7, 2011 by Resolution No. 2011-013, the City Council approved the plans and specifications and called for bids for the subject project.
- On January 18, 2011, by Resolution No. 2011-007, the City Council rescinded Resolution No. 2010-122 and approved Resolution No. 2011-008 authorizing the City Manager to dedicate net revenue from the WPCP Enterprise Fund to repay the State Revolving Funding Program for the construction of the WPCP Rehabilitation Project.
- On December 6, 2010, by Resolution No. 2010-147, the City Council passed a resolution authorizing the City Manager to prepare and publish a prequalification questionnaire for the instrumentation and process control scope of work; and authorizing the City Manager to approve the list of prequalified contractors to perform said scope of work for the WPCP Rehabilitation Project.
- On November 1, 2010, by Resolution No. 2010-119, the City Council passed a resolution authorizing the reimbursement of funding received under the funds advanced to the City pursuant to the State Revolving Fund financing agreement with the State Water Resources Control Board for the WPCP Rehabilitation Project.
- On September 20, 2010, by Resolution No. 2010-120, the City Council passed a resolution approving a contractual services agreement with Brown and Caldwell for constructability review of the WPCP Rehabilitation Project.
- On September 20, 2010, by Resolution 2010-122, the City Council passed a resolution authorizing the City Manager to dedicate net revenue from the WPCP Enterprise Fund to repay the State Revolving Fund Program for the construction of the WPCP Rehabilitation Project.
- On July 6, 2010, by Resolution No. 2010-087, the City Council passed a resolution authorizing the City Manager to sign and file a financing agreement with the State Water Resources Control Board for the WPCP Rehabilitation Project.
- On November 3, 2008, by Resolution 2008-137, the City Council passed a resolution approving a consulting services agreement with Carollo Engineers to design the WPCP Rehabilitation Project.

Applicable General Plan Policies

- Policy 52.05: Maintain adequate capacity at the San Leandro Wastewater Treatment Plant to accommodate projected levels of growth within the service area and encourage the Oro Loma Sanitary District to do the same.

Permits and/or Variances Granted

City Building Permits were issued.

Environmental Review

The project was determined to be categorically exempt from the California Environmental Quality Act (CEQA) pursuant to section 15301 (b) "Existing Facilities".

Code Compliance Review

Code review was completed as part of the permit approval from the City of San Leandro Building Department and the Alameda County Fire Department.

Fiscal Impacts

The total project cost is estimated at \$53,951,957.00. This includes the SJ Amoroso's construction contract, negotiated change orders, inspection, utilities, permits, and construction management costs. The cost of this construction contract is as follows:

Original Contract	\$40,127,000.00
<u>Contract Change Orders (estimated)</u>	<u>\$4,200,000.00</u>
Total Contract Amount (estimated)	\$44,327,000.00

Budget Authority

<u>Account No.</u>	<u>Appropriation Dates & Reso</u>	<u>Amount</u>
593-52-250	July 5, 2011; 11-135	\$1,610,000.00
593-52-251	July 5, 2011; 11-136	\$43,000,000.00
593-52-252	July 5, 2011; 11-135	\$5,390,000.00
593-52-252	July 20, 2015; 15-133	\$453,000.00
593-52-229	January 21, 2014; 14-005	\$2,650,000.00
593-52-209	July 2004; Budget 04-05	\$545,735.00*
<u>593-52-236</u>	<u>July 2007; Budget 07-08</u>	<u>\$303,222.00**</u>
	Total Allocation	\$53, 951,957.00

* Unused funds transferred on November 21, 2013, from Account No. 593-52-209 that was created to fund these four items: WPCP Plant Expansion (property acquisition), WPCP Improvement Master Planning, Motor Control Center Replacements and Electrical Service Improvements and Peak Wet Weather Flow Improvements to 593-52-252.

** Unused funds transferred on October 16, 2008, from Account No. 593-52-236 that was created to fund WPCP Boiler Replacement at Digesters 1 and 2 to Account No. 593-52-242 and then transferred on November 21, 2013 from Account No. 593-52-242 to Account No. 593-52-252.

ATTACHMENTS

- Project Overview
- Picture of Administration Building

PREPARED BY: Yin-Kuei Lin, Associate Engineer, Engineering and Transportation Department