



**City Manager's Report**  
**June 25, 2019 City Council Meeting**  
**Prepared By: A. Cory Schiestel, Associate Civil Engineer**

**Item#: 12.5**

**Subject:** Adopt a resolution:

1. Approving amendment No. 1 under the existing consulting services agreement with REY Engineers (REY) in an amount not to exceed \$60,000 for additional construction management services to complete construction of the Sewer Lift Station Rehabilitation, Phase II Project (CIP #40330) and authorizing the City Manager to execute same; and
2. Approving a \$90,000 budget appropriation from the Sewer Enterprise Fund unassigned fund balance for the said project.

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**Purpose:** To approve a budget appropriation and contract amendment for additional construction management services which are required to complete the Madrone & Giovanni sewer lift stations rehabilitation project.

**Background:**

The Madrone and Giovanni Sewer Lift Stations were built in the 1970's and have surpassed their useful service life. The lift stations were first approved as a CIP project in the Fiscal Year 2002-03 Budget. At the regular scheduled meeting on December 9, 2014, City Council approved a consulting services agreement with Domenichelli and Associates for the design services and production of a complete bid package for the Madrone and Giovanni Lift Stations. The project was released for public bid on August 25, 2017. The construction contract was awarded on February 13, 2018 along with a consulting services agreement with REY Engineers, Inc. (REY) in an amount not to exceed \$124,262 for construction management services.

**Discussion:**

At this time the original construction management services agreement is nearly exhausted. The scope of services and fees provided by REY prior to the start of construction was based on several assumptions including 50 working days, part time inspection, and a linear construction schedule during one construction season. Unfortunately the project has not adhered to those assumptions for several reasons:

1. Shortly after the project was awarded, the contractor submitted lift station packages that were not compliant with the project specifications leading to lengthy discussions and meetings until the contractor followed the City's direction to resubmit and ultimately order compliant lift station packages.
2. While awaiting for production of the compliant lift station packages and prior to the contractor mobilization in July 2018, it was discovered that existing sewer alignments at the Giovanni lift station were not shown correctly on the plans requiring extensive subsurface investigation.

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3. Due to wet weather, work was suspended for winter. During work suspension, revisions were made to the plans based on actual existing conditions. The redesign included shifting new wetwell locations, electrical modifications, inclusion of two additional manholes for easier maintenance, installation of a temporary construction sewer bypass, and additional drainage improvements.
4. The contractor's initial quote for the two new manholes to be constructed was not considered reasonable, so the contractor was directed to construct the manholes by force account, which required full time inspection, but resulted in a significant construction cost savings.
5. In April 2019, an unknown and unmarked EID water main and City sewer main were discovered in conflict with the proposed wetwell location at the Madrone lift station. This resulted in another redesign and additional coordination with the contractor, design engineer, and EID to resolve.
6. Coordination with PG&E throughout the project has been a delayed and complicated process and far more time consuming than anticipated. An approved design for the electrical service connection to the lift stations was provided by PG&E at the start of construction. During construction, after the underground conduit had been installed, it was discovered that PG&E had incorrectly designed the service connection to be overhead. This has further delayed the project and required additional construction management effort.

Construction is currently suspended until PG&E can install the new electrical service connections. Once service has been connected, the project is expected to take approximately three weeks to complete. This proposed amendment will provide construction management services necessary to complete the project.

### **Options:**

1. Authorize the amendment as recommended by staff with construction completion anticipated by August 2019.
2. Direct staff to negotiate changes to the proposed amendment and return to the Council.

**Cost:** The cost of the proposed Amendment No. 1 with REY totals \$60,000.

### **Budget Impact:**

The City Council adopted the Fiscal Year 2002/2003 Capital Improvement Program Budget which appropriated \$75,000 for the Sewer Lift Station Rehabilitation, Phase II project (CIP #40330). At its meeting held on November 13, 2012, the City Council appropriated an additional \$10,024. At its meeting held on December 9, 2014, the City Council appropriated an additional \$76,578. The City Council approved an additional \$1,222,101 in additional budget appropriations at its meeting held on February 13, 2018. At its meeting held on March 26, 2019, the City Council approved an additional \$73,415 budget appropriation for a total project budget of \$1,457,118. In order to complete the project, staff is recommending an additional \$90,000 budget appropriation from the Sewer Enterprise Fund for a total project of \$1,547,118.

The current and proposed revenue and expenditure project budgets are as follows:

<b>Funding Source</b>	<b>Revised Project Budget</b>	<b>Proposed Project Budget</b>	<b>Increase/ (Decrease)</b>
Measure H Fund	\$ 960,358	\$ 960,358	\$ -
Measure L Fund	163,057	163,057	-
Sewer Enterprise Fund	333,703	423,703	90,000
<b>Total revenues</b>	<b>\$ 1,457,118</b>	<b>\$1,547,118</b>	<b>\$ 90,000</b>

<b>Description</b>	<b>Revised Project Budget</b>	<b>Proposed Project Budget</b>	<b>Increase/ (Decrease)</b>
Design	\$ 121,906	\$ 121,906	\$ -
Right of Way	4,500.00	4,500.00	-
Permit fees/Compliance	2,000.00	2,000.00	-
Construction	1,131,791	1,131,791	-
Construction Management	124,262	184,262	60,000
Construction Engineering	24,950	24,950	-
City Staff Time	40,000	70,000	30,000
Contingency	7,709	7,709	-
<b>Total</b>	<b>\$1,457,118</b>	<b>\$1,547,118</b>	<b>\$ 90,000</b>

To date the project has encumbered the following items:

Syblon Reid Construction Contract	\$ 1,039,500
Syblon Reid Construction, Inc. (Change Order No. 1)	-
Syblon Reid Construction, Inc. (Change Order No. 2)	92,291
B&B Locating	1,600
BT Consulting (Original Agreement)	18,550
BT Consulting (Amendment No. 1)	2,300
BT Consulting (Amendment No. 2)	4,250
BT Consulting (Amendment No. 3)	10,321
Carnihan Electric	867
Counihan Consulting Engineering	736
Domenichelli and Associates (Original Agreement)	46,882
Domenichelli and Associates (Task Order No. 1)	3,000
Domenichelli and Associates (Amendment No. 1)	24,950
El Dorado County Environmental Management	590
Macintosh Engineering	36,000
Mountain Democrat	350
REY Engineers, Inc. (Original Agreement)	124,262
REY Engineers, Inc. (Proposed Amendment No.1)	60,000
Terrance Barber (ROW Easement)	1,500
City Staff Staff	60,634
<b>Total</b>	<b>\$ 1,528,583</b>

Project encumbrances to date total \$1,528,583, including the proposed \$60,000 construction management amendment with REY Engineers, Inc., is within the proposed \$1,547,118 project budget.

**Recommendation:**

Adopt a resolution:

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2. Approving a \$90,000 budget appropriation from the Sewer Enterprise Fund unassigned fund balance for the said project.



M. Cleve Morris, City Manager



Rebecca Neves, City Engineer

Attachments:

- A. Resolution