

REVISED AGENDA ITEM SUBMITTAL

Meeting Date: March 17, 2021

To: Board of Directors

From: Mike Markus

Staff Contact: C. Olsen / B. Smith

Budgeted: No

Budgeted Amount: N/A **\$4,850,000**

Cost Estimate: Under negotiation
\$5,657,000

Funding Source: CIP

Program/Line Item No.: C19010

General Counsel Approval: N/A

Engineers Report: Completed

CEQA Compliance: N/A

**Subject: SERRANO WATER DISTRICT PFAS WATER TREATMENT PLANT:
CONTRACT SWD-2020-1 CHANGE ORDER NO. 1**

SUMMARY

The District received concerns from residents adjacent to the Serrano PFAS project site regarding the height of the new treatment plant being constructed. The design has been revised to lower the treatment vessel pad below grade thereby reducing views of the treatment plant from adjacent properties. Staff ~~is currently negotiating~~ **has negotiated** a change order with the contractor for consideration. ~~and will provide a more specific recommendation prior to the Board meeting~~

RECOMMENDATION

1. Authorize execution of Change Order No. 1 to Pacific Hydrotech Corp **for a total amount of \$495,247**; and
2. Increase the project budget **by \$807,000 for a total project budget of \$5,657,000.**

BACKGROUND/ANALYSIS

The construction contract of the Serrano Water District (SWD) PFAS treatment plant was awarded on November 4, 2020 with anticipated contractor mobilization to the project site in January 2021. **The project will install a single PFAS treatment plant for two SWD wells.** In conjunction with SWD, the District sent a letter to nearby residents in December advising them of the construction mobilization.

Figure 1 shows that residential property boundaries are close to the proposed PFAS treatment plant. The residents requested a community meeting which was held in January. Information about PFAS, construction, operation, and the visual mitigation of trellised vines around the new treatment plant was shared at the meeting. Residents expressed concerns about the project, with the most prominent concern revolving around visual impacts of the 16-foot tall treatment vessels and vine mitigation.

To mitigate the concerns, the contractor was instructed to not mobilize to the site and the design engineer was instructed to revise the design to lower the concrete pad for the treatment vessels below grade so that no part of the new PFAS treatment project would extend more than 10-feet above the site's grade. This approach was presented

and well received by the residents at a second community meeting in February. See Figure 2 for a rendering of the proposed site from the perspective of a person standing in an adjacent residential property.

After the second community meeting, the revised design package was finalized and sent to the contractor to provide a change order cost estimate. Staff received the change order cost estimate on March 11, 2021 and is currently negotiating a final amount. A revised staff report recommending approval of a specific amount for Change Order #1 along with increasing the project budget will be distributed prior to the March 17, 2021 Board meeting. **The contractor provided a cost of \$656,577, but after negotiations the change order cost has been reduced to \$495,247. Factors that have resulted in this cost include a longer construction duration, excavation and export of native rock material, concrete retaining walls with sub-grade drainage, sump collection and pumping system, additional trellis work, stairs, fall protection railings, additional electrical work, and recent increases in steel material costs.**

Figure 1: Serrano Water District PFAS Wells and Treatment Site



Figure 2: Serrano Water District PFAS Treatment Site Rendering



The design scope of work increased due to additional site renderings for the community meetings, evaluation of an alternative to enclose the treatment plant in a structure, and re-design of several construction drawings and specifications to lower the vessel pad. The construction management (CM) scope of work is increased due to a longer construction duration. The project's allocated contingency fund was set near 1% when the contract was awarded to avoid increasing the project budget, however it is standard District practice to set the contingency near 5% of the construction contract value as that is the General Manager's authorization limit.

To accommodate the additional design, construction, and construction management scopes of work and to set the project's contingency fund at five percent of the construction contract, staff recommends increasing the project budget by \$807,000, from \$4,850,000 to \$5,657,000. The current budget for the SWD PFAS treatment project is summarized in Table 1, and the revised project schedule is shown in Table 2.

Table 1: SWD PFAS Treatment Budget Summary

Description	Budget 1/20/2021	Revised Budget
Design, Construction Management, Permitting		
Tetra Tech Work Order No. 1	\$ 463,500	\$ 463,500
<u>Amend Work Order for re-design & CM</u>		<u>\$ 200,000</u>
Permitting	\$ 20,000	\$ 5,000
SWD I&C Consultant	\$ 50,040	\$ 50,040
Construction		
Contract SWD-2020-1	\$ 3,110,200	\$ 3,110,200
<i>Change Order No. 1</i>		<u>\$ 495,247</u>
IX Resin Media	\$ 439,417	\$ 439,417
Pressure Vessel Pre-Purchase	\$ 738,000	\$ 738,000
Project Contingency	\$ 28,843	<u>\$ 155,596</u>
Total Project Budget	\$ 4,850,000	<u>\$ 5,657,000</u>

Table 2: SWD PFAS Treatment Schedule Summary

Description	Date
Design (Original)	April – Sep 2020
DDW Permitting	Jun 2020 – <u>Nov 2021</u>
Construction Contract SWD-2020-1	Nov 2020 – <u>Nov 2021</u>

TBD—To Be Determined

PRIOR RELEVANT BOARD ACTION(S)

1/20/21, R21-1-10: Agreement with Evoqua Water Technologies, LLC is authorized for an amount not to exceed \$439,417 for Ion-Exchange Resin Media and Installation at Serrano Water District; and, upon approval as to form by District General Counsel, its execution by the District officers is authorized.

11/4/20, R20-11-150: The Board of Directors finds that the Serrano Water Treatment Plant Project is consistent with the CEQA Categorical Exemption for New Construction or Conversion of Small Structures (Class 3); The Board of Directors finds that the Serrano Water Treatment Plant Project Notice of Categorical Exemption prepared and approved by the Serrano Water District is adequate for use by the District; the Affidavit of Publication of Notice Inviting Bids for Contract No. SWD-2020-1, Serrano PFAS Water Treatment Plant, is received and filed; the lowest responsive bid of Pacific Hydrotech Corp, in the amount of \$3,110,200 is accepted and all other bids are rejected; the District officers are authorized to execute an Agreement on behalf of the District, in a form heretofore approved by this Board, with Pacific Hydrotech Corp pursuant to the terms of its proposal; the District General Counsel is authorized to approve the Performance and Labor and Materials Bonds submitted by said contractor on behalf of the District, provided the bonds comply with the requirements of the bid proposal; the District staff is directed to notify the unsuccessful bidders of the action taken herein and, upon execution of the agreement by the successful bidder, to return to the unsuccessful bidders their Bid Bonds.

9/16/20, R20-9-129: The Engineer's Report for the Serrano Water District PFAS Water Treatment Plant Project is approved and the project is hereby deemed project feasible, necessary and beneficial to the lands of the District; Publication of a Request for Proposals is authorized to Procure and Install Ion Exchange Resin Media for the Serrano Water District PFAS Treatment Plant; and Publication of a Notice Inviting Bids for Contract No. SWD-2020-1, Serrano PFAS Water Treatment Plant is authorized.

1/22/20, R20-1-13: Issuance of a Request for Quotes to pre-purchase up to 150 PFAS treatment vessels; Issuance of a Request for Proposals for on-call consultants to prepare PFAS Treatment System designs; Execution of PFAS treatment system professional services agreements for design services with the highest ranked consultants; and Establishment of a project design budget of \$10,000,000.