

Agenda Report

June 10, 2013

TO: Honorable Mayor and City Council

FROM: Water and Power Department

SUBJECT: AUTHORIZE THE CITY MANAGER TO AMEND CONTRACT NUMBER 20,959 WITH R C FOSTER CORPORATION FOR THE SEISMIC UPGRADES AT SHELDON RESERVOIRS 1 AND 2 TO INCREASE THE CONTRACT NOT-TO-EXCEED AMOUNT FROM \$2,231,000 TO \$2,471,000

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the additional work by R C Foster Corporation ("R C Foster") for the Seismic Upgrades at Sheldon Reservoirs 1 and 2 is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15302 (Replacement or Reconstruction); and there are no changed circumstances or new information proposed with this action which would trigger additional environmental review; and
2. Authorize the City Manager to amend Contract Number 20,959 with R C Foster to increase the contract by \$240,000 for a total not-to-exceed amount of \$2,471,000 for additional upgrades due to the unforeseen circumstances during construction.

BACKGROUND:

On March 12, 2012, the City Council authorized a contract with R C Foster for seismic upgrades at Sheldon Reservoirs 1 and 2. The seismic upgrades consist of strengthening the roof structure and other smaller structures and connections, installation of concrete piers, installation of new column footings, replacing/repairing of the existing roof, cleaning and repairing existing cracks in the reservoir liner, and painting of the roof and side panels. This work will maintain current operations and strengthen these critical infrastructures to ensure reliability of the facilities for many years.

During the course of the seismic upgrades, some unforeseen conditions were encountered. The inspection of Sheldon Reservoirs 1 and 2 during construction revealed that additional crack repairs in the reservoir liner are required to prevent any water leaks. The additional crack repairs were not included in the original bid price. Additional crack repairs in Sheldon Reservoir 1 were completed in March 2013 and the extra work was authorized by the Department before it was performed by R C Foster. The original 20% contingency was used to pay for the additional crack repairs in Sheldon Reservoir 1 and other extra work. Additional funding will be required to cover crack repairs in Sheldon Reservoir 2, which will be completed by August 2013.

Staff recommends the amendment of Contract Number 20,959 with R C Foster to increase the contract amount by \$240,000 for a total not-to-exceed amount of \$2,471,000. The total amount includes \$200,000 for the additional crack repairs and a twenty percent contingency of \$40,000 to accommodate any additional change orders due to unforeseen circumstances.

COUNCIL POLICY CONSIDERATION:

The proposed seismic upgrade is part of the Water System Master Plan recommendation that was completed and adopted by City Council in 2002. The cost to perform the upgrades includes all the necessary labor and materials for the improvements.

ENVIRONMENTAL ANALYSIS:

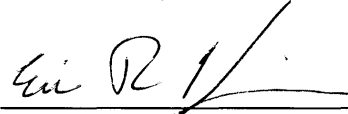
The project is categorically exempt from CEQA review pursuant to State CEQA Guidelines Section 15302, Replacement and Reconstruction. This exemption covers the replacement or reconstruction of existing facilities. This work is necessary to maintain current operation of the facility and will not expand the capacity of the system. The action proposed herein is an amendment to the project's original construction contract, which was an action that was categorically exempt from CEQA. No changed circumstances or new information has risen since the original construction contract was approved that would require additional environmental review.

FISCAL IMPACT:

The total cost of this project will not exceed \$2,471,000. Funding for this action will be addressed by the utilization of current and future appropriations in the Water System Capital Improvement Program Budget Number 1037 – Reservoir Improvements. It is anticipated that \$2,000,000 will be spent in fiscal year 2013. The remaining costs will be spent in fiscal year 2014.

Original Bid Amount	\$1,858,600
Original 20% Contingency	\$ 372,400
Original Contract "Not-to-Exceed" Amount	\$2,231,000
Additional Work (Crack Repairs)	\$ 200,000
20% Contingency	\$ 40,000
Total Contract "Not-to-Exceed" Amount	\$2,471,000

Respectfully submitted,



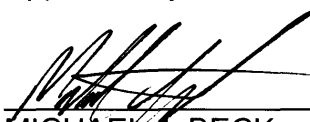
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MICHAEL J. BECK
City Manager