

**DRAFT**

Agenda Item No. \_\_\_\_\_

File Code No. \_\_\_\_\_



## **CITY OF SANTA BARBARA**

### **COUNCIL AGENDA REPORT**

**AGENDA DATE:** December 11, 2012

**TO:** Mayor and Councilmembers

**FROM:** Engineering Division, Public Works Department

**SUBJECT:** Contract For Construction For The Corporate Yard Well Replacement Project

**RECOMMENDATION:** That Council:

- A. Award a contract with Layne Christensen Co. in their bid amount of \$978,000 for construction of the Corporate Yard Well Replacement Project, Bid No. 3659 and authorize the Public Works Director to execute the contract and approve expenditures up to \$117,360 to cover any cost increases that may result from contract change orders and differences between estimated bid quantities and actual quantities measured for payment;
- B. Authorize the Public Works Director to execute a contract with Pueblo Water Resources in the amount of \$150,454 for construction support services, and approve expenditures of up to \$15,046 for extra services of Pueblo Water Resources that may result from necessary changes in the scope of work; and
- C. Authorize the City Administrator to execute, subject to approval as to form by the City Attorney, an amendment to the document entitled "Declaration of Covenants, Conditions and Restrictions" entered into between the Redevelopment Agency of the City of Santa Barbara and Transition House, Inc. in 1992 to extend the term thereof for an additional period of 40 years.

#### **DISCUSSION:**

#### **BACKGROUND**

The City's groundwater supplies are an important part of the City's overall water supply. They help meet peak summer water demands and supplement depleted surface water supplies during droughts. Groundwater supplies also serve as an emergency water source in the event of a catastrophic interruption to the water supplies from the Santa Ynez River or the State Water Project.

In 2011, Council awarded a contract to rehabilitate the Ortega Groundwater Treatment Plant (OGTP), which included rehabilitation of three of the four downtown wells. The OGTP facility and wells are anticipated to be ready for operation in the summer of 2013. Rehabilitation of the Corporate Yard Well (CYW) was originally included in the OGTP

project scope. However, during the initial design phase, it was determined that the CYW was in the process of failing and the well needed to be re-drilled, rather than rehabilitated. Work pertaining to the CYW was removed from the scope of the OGTP project.

In March 2012, Council awarded a contract to Pueblo Water Resources (Pueblo) for design services to abandon the existing well and drill a new CYW. There are two phases involved in municipal well development. This first phase is the construction of the well, which is the scope of this construction contract. The second phase involves the pump, piping, and electrical design and construction, which will occur when construction of the new well is complete. It is anticipated that the second phase of construction will occur in the summer/fall of 2013. Upon completion of the second phase and prior to the well becoming operational, the California Department of Public Health must issue a permit for the domestic well operation.

#### PROJECT DESCRIPTION

The existing CYW was drilled in 1974 to a depth of 675 feet. When it was operational, the CYW produced approximately 500 gallons per minute. The replacement well will be drilled in a portion of the City's Corporate Yard used by the Parks and Recreation Department for vehicle and supply storage. The new well site is approximately 50 feet from the current CYW location. The proposed CYW Replacement Project consists of abandoning the existing failed CYW in compliance with standards set by the Department of Public Health, and constructing a new 700-foot deep well.

The drilling process has several phases, including a few that require 24-hour operations for up to 14 days (not consecutive). To mitigate noise impacts to the neighbors, the CYW Project includes the installation of a temporary 24-foot sound wall surrounding the site. The sound wall and use of special engine mufflers have been very successful at mitigating noise on the two previous well projects in the San Roque neighborhood and at Santa Barbara High School.

Water produced from the new CYW will be piped to the OGTP for treatment before being put into the City's water distribution system. The water production of the new CYW is anticipated to be similar to the original CYW, since it will tap into the same aquifer at nearly the same depth.

#### CONTRACT BIDS

One bid was received for the subject work as follows:

	<b>BIDDER</b>	<b>BID AMOUNT</b>
1.	Layne Christensen Co. Fontana, CA	\$978,000

Three contractors attended the mandatory pre-bid meeting. However, only one bid was received. Staff contacted the other two contractors to inquire as to why they did not submit bids. Both contractors stated they were extremely busy and had previous work commitments that conflicted with the CYW Project schedule, and therefore, did not have sufficient equipment or staffing resources available for the CYW Project.

The CYW Project is being scheduled during the winter months to minimize impacts to Parks and Recreation's operations. The CYW Project completion will coincide with the completion of the OGTP construction, which is anticipated to be in the summer of 2013.

The low bid of \$978,000 submitted by Layne Christensen Co., is an acceptable bid that is responsive to and meets the requirements of the bid specifications. The change order funding recommendation of \$117,360, or 12 percent, is recommended for this project because there are many unknowns related to underground work.

#### CONSTRUCTION PHASE CONTRACT SERVICES

Staff recommends that Council authorize the Public Works Director to execute a contract with Pueblo in the amount of \$150,454 for construction management and inspection services and approve expenditures of up to \$15,046 for extra services of Pueblo that may result from necessary changes in the scope of work. Due to the unique nature of well work, the design team will oversee every step of the well drilling process to document and provide time-sensitive direction to the contractor. Pueblo was selected to perform the design, construction management, and inspection as part of a competitive request for proposal process. Pueblo has the knowledge and experience necessary to successfully complete this type of work.

#### COMMUNITY OUTREACH/COORDINATION EFFORTS

The CYW Project duration is anticipated to be eight weeks, and as stated above, approximately two of the weeks will require some periods of 24-hour work operations. Prior to construction, letters will be sent out to all residents within 500 feet of the site, informing them of the work and providing the appropriate contact information for any questions, concerns, or issues that may come up during construction.

The Transition House, located at 434 E. Ortega Street, is the closest CYW Project neighbor. Based on the project sound study and staff's experience with neighbors on the two previous City well drilling projects, noise has been successfully mitigated by installing a temporary 24-foot high sound wall around the project area. Staff will take additional measures with the Transition House by holding an informational project meeting for them prior to the two week-long period that will include some 24-hour work efforts. Staff is also investigating other noise mitigation measures specifically for the Transition House, and will be in daily contact with the Transition House staff during the two-week period.

PERMITTING

The California Department of Public Health oversees and issues permits for the use of domestic water wells in the State. The Administrative Code requires that as part of the permitting process, the water agency must provide documentation to the Public Health Department that demonstrates the well site, including a 50 foot radius around the site, is protected from potential sources of contamination. The 60-year Affordability Control Covenant, recorded on the “Mom’s” property at 421-425 East Cota Street in 2011 between the City and Transition House, provides sufficient land use controls to ensure the protection of the well site as required by the State. Similarly, the “Declaration of Covenants, Conditions and Restrictions Imposed on Real Property,” recorded on the Transition House in 1992 also provides adequate land use controls to protect the well site. This document expires in 2022, and therefore does not ensure the well site will be protected for its useful life of 50 years. Transition House has agreed to extend the term of this affordability covenant for an additional 40 years, until 2062, which will provide an adequate period of protection for the well site as required by the State.

FUNDING

There are sufficient funds in the Water Fund to cover the cost of the CWY Project. The following summarizes the expenditures recommended in this report:

**CONSTRUCTION CONTRACT FUNDING SUMMARY**

	<b>Basic Contract</b>	<b>Change Funds</b>	<b>Total</b>
Layne Christensen Co.	\$978,000	\$117,360	\$1,095,360
Pueblo	\$150,454	\$15,046	\$165,500
<b>TOTAL RECOMMENDED AUTHORIZATION</b>			<b>\$1,260,860</b>

The following summarizes all CYW Project design costs, construction contract costs, and other CYW Project costs:

**ESTIMATED TOTAL PROJECT COST**

<b>Phase 1 Design Costs</b>	
Design (by Contract)	\$89,970
City Staff	\$61,000
<b>Subtotal</b>	<b>\$150,970</b>
<b>Phase 1 Construction Costs</b>	
Construction Contract	\$978,000
Construction Change Order Allowance	\$117,360
Construction Management/Inspection (by Contract)	\$165,500
Construction Administration (by City Staff)	\$31,000
<b>Subtotal</b>	<b>\$1,291,860</b>
<b>Phase 2 Estimated Design &amp; Construction Costs</b>	
Design & Construction	\$250,000
<b>Subtotal</b>	<b>\$250,000</b>
<b>TOTAL PROJECT COST</b>	<b>\$1,692,830</b>

This item was heard by the Water Commission on December 10, 2012.

**PREPARED BY:** Joshua Haggmark, Principal Civil Engineer/CW/sk

**SUBMITTED BY:** Christine F. Andersen, Public Works Director

**APPROVED BY:** City Administrator's Office