



Agenda Item No. _____

File Code No. _____

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

DRAFT ITEM 6A

AGENDA DATE: January 12, 2016

TO: Mayor and Councilmembers

FROM: Engineering Division, Public Works Department

SUBJECT: Increase In Construction Change Order Authority For Design, Build, And Operate Contract For The Charles E. Meyer Desalination Facility

RECOMMENDATION:

That Council authorize an increase in the Public Works Director's Change Order Authority to approve expenditures for extra work for the Design, Build, and Operate Contract for the Charles E. Meyer Desalination Facility with IDE Americas, Inc., Contract No. 25,221, in the amount of \$2,000,000, for a total Project expenditure authority of \$47,301,654.

DISCUSSION:

Background

The City's 2011 Long Term Water Supply Plan (LTWSP) included the Charles E. Meyer Desalination Plant (Desal Plant), which was completed in March 1992, and put into long-term standby mode in 1997. The Desal Plant was included in the plan as a recognized drought water supply. The City is currently experiencing a pro-longed drought condition that is drier than the historic drought of record, which was used as the drought planning basis of the LTWSP. As a result of continued dry conditions, Council entered in to a Design-Build-Operate contract with IDE Americas, Inc. (IDE) reactivate the Desal Plant on August 28, 2015, to ensure that the community continues to have sufficient uninterrupted drinking water supplies, should drought conditions continue through 2016.

Current Status

On-site construction started in September, 2015. On November 3, 2015, IDE notified the City that suspicious soils were encountered and construction work was halted. Preliminary testing of six locations showed soil contaminated with primarily lead associated with rubble and debris and diesel fuel. Both are from an unknown source.

The Desal Plant site is located in an area where investigations were completed in 2008 to dispute the presence of an historical landfill. No soils testing was conducted prior to the start of the Project because soils reports from the original project discussed that debris was found, and clean soils were used to backfill areas under the structures. The

contamination discovered on November 3rd is consistent with the findings of the 2008 study and the soils report prepared prior to construction of the original project. It appears the soils were not cleaned as discussed in the post-construction soils report for the original project.

Staff, with assistance from IDE, is currently working on a soils assessment plan, which has been approved by County Environmental Health Services. Once testing is complete, it will be determined whether a remediation plan or soils management plan will be required. A permit for an Air Pollution Control District Permit has been submitted, pending the soils remediation or management plan determination. Currently it is estimated that approximately 4,500 cubic yards of soils will need to be removed. Work is anticipated to start on December 7, 2015. However, completion of the additional soils assessment could potentially require a different disposal option that may be more expensive than anticipated. Staff would then return to Council for authorization of monies for the additional soils clean-up.

Staff is evaluating the critical path for the Project. The completion are the treatment trains, which are being constructed off-site and the construction of the pads for the equipment are both on the critical path. Staff is working with the contractor so as not to affect the Project completion date of October, 2016.

BUDGET/FINANCIAL INFORMATION:

Funding

The following summarizes the additional expenditures recommended in this report:

CONSTRUCTION CONTRACT FUNDING SUMMARY

	Base Contract	Change Order	Total
Initial Contract Amount	\$43,437,234	\$1,864,420	\$45,301,654
Proposed Increase		\$2,000,000	\$2,000,000
Totals	\$43,437,234	\$3,864,420	\$47,301,654

It is anticipated that with savings in other areas of the Project, there will be sufficient funds in the Water State Revolving Loan Fund to cover the extra work item.

PREPARED BY: Desi Alvarez, Interim City Engineer/LS/kts

SUBMITTED BY: Rebecca J. Bjork, Public Works Director

APPROVED BY: City Administrator's Office