



Agenda Report

File #: 19-0073

AGENDA REPORT REQUEST FOR CITY COUNCIL AND CORONA UTILITY AUTHORITY ACTION

DATE: 2/6/2019

TO: Honorable Mayor and City Council Members
Honorable President and Board Members

FROM: Public Works Department
Department of Water and Power

SUBJECT:

City Council and Corona Utility Authority consideration of approving Contract Change Order No. 2 for construction of the Corona Airport Waterline Relocations Project, No. 2018-01, approve budget reductions in the Water Utility and Reclaimed Water Utility Funds, and approve a General Fund appropriation of \$185,334.

RECOMMENDED ACTION:

That the:

1. City Council approve Contract Change Order No. 2 in the amount of \$67,405.14 to J.R. Filanc Construction Company, Inc., the contractor constructing the Corona Airport Waterline Relocations Project, No. 2018-01.
2. City Council authorize the City Manager to execute Contract Change Order No. 2 to the existing Contract between the City and J.R. Filanc Construction Company, Inc.
3. City Council authorize the Purchasing Manager to issue Change Order No. 2 to Purchase Order P20978 to J.R. Filanc Construction Company, Inc., in the amount of \$67,405.14, for a total amount of \$499,325.81, which represents a cumulative total construction cost increase of 20.34 percent.
4. City Council approve a budget reduction in the amount of \$160,334.13 from the Corona Airport Waterline Project in the Water Utility Fund 570.
5. City Council approve a budget reduction in the amount of \$25,000.00 from the Corona Airport

Waterline Project in the Reclaimed Water Utility Fund 567.

6. City Council approve an appropriation of \$185,334.13 to the Corona Airport Waterline Project in the General Fund 110.
7. Corona Utility Authority (CUA) review, ratify, and to the extent necessary, direct that the City Council take the above actions.

ANALYSIS:

The Corona Airport Waterline Project design was initiated in 2011 in response to the U.S. Army Corps of Engineers (USACE) proposed Alcoa Dike project. The Alcoa Dike project will require abandonment, relocation, and protection of a variety of City of Corona utilities. An existing 8-inch potable waterline in Butterfield Drive extending to Smith Avenue and serving Butterfield Park and the Corona Municipal Airport was identified as a utility requiring relocation prior to construction of the proposed dike. The proposed dike construction will cross Butterfield Drive and the existing waterline. The existing asbestos cement waterline constructed in 1967 is vulnerable to damage from heavy equipment traffic necessary for construction of the dike. In 2014, the Alcoa Dike project was put on hold while the U.S. Army Corps of Engineers pursued Federal funding.

As the lead local agency, Orange County Public Works (OCPW) informed the City of the intent of the Army Corps of Engineers to restart the Alcoa Dike project with the desire to abandon, relocate, or protect all affected utilities by September 2018. The Corona Airport Waterline Project continues to be one of the utilities affected by the proposed dike project.

The project includes construction of approximately 750 linear feet (LF) of new 8-inch ductile iron waterline, including all necessary connections, services, fire hydrants, blow offs, and related work from Jenks Circle through Butterfield Park to Butterfield Drive. The existing potable waterline will be abandoned in Butterfield Park and the connection removed at the intersection of Butterfield Drive and North Smith Avenue. The project also includes moving an existing Butterfield Park 8-inch reclaimed water service line approximately 300 feet to the west to relocate the service away from the proposed dike footprint and connecting the reclaimed water service to the Butterfield Park irrigation system. The project location and limits are shown on Exhibit "A."

The Plans and Specifications for this project were completed by K&A Engineering, Inc. and reviewed by City staff. The project was advertised pursuant to Corona Municipal Code requirements, and on June 26, 2018, two (2) bids were received from prequalified contractors and opened by City staff.

Staff reviewed all bids received and recommended awarding the contract based on the Bid Schedule for a total contract amount of \$414,939.00 to J.R. Filanc Construction Company, Inc., as the lowest responsive, responsible bidder.

On July 18, 2018, City Council approved award of the bid, NIB 18-044CA, to J.R. Filanc Construction Company, Inc. in the amount of \$414,939.00 and authorized the City Manager, or his designee, to execute a Construction Contract with J.R. Filanc Construction Company, Inc. in the amount of \$414,939.00 with authorization to approve necessary change orders up to the amount provided by Corona Municipal Code Section 3.08.060(j).

Purchase Order No. P20978 in the amount of \$414,939.00 was issued on July 23, 2018, to J.R.

Filanc Construction Company, Inc. for construction of the Corona Airport Waterline Relocations Project, JL #38390570.

Notice to Proceed was issued on August 16, 2018, and construction began on August 30, 2018.

Change Order No. 1 in the amount of \$16,981.67, which represented 4.09 percent of the original contract amount, was approved on October 31, 2018, and P20978 was reissued with the change order amount. This change order included delays resulting from unmarked irrigation and potable water service lines, unmarked utilities requiring deeper excavation in approximately 55 LF of trench, additional water main bends, an air/vacuum relief valve, additional irrigation service fittings, and an additional 8 working-day time extension to the contract.

Change Order No. 2 in the amount of \$67,405.14, including an additional 28-day extension to the contract, has been prepared to address differing site conditions found in the field and changes to the contract, including additional costs and credits. The cumulative contract change order amount is 20.34 percent of the original contract amount. A full description of the changes, additional costs, and credits is provided in the attached Contract Change Order No. 2 "Exhibit B." This is the final change order and included credits for bid items, or portions of bid items, not constructed. The most significant items among the additional costs included in Contract Change Order No. 2 include:

- Delays and slower than anticipated trenching and pipe installation at the end of Jenks Circle was caused by the need to trench deeper than shown on the design plans to avoid existing utilities and ground water saturation of soils. These conditions required wider trenches, extra shoring/plates, mucking of supersaturated soils, replacement of the trench foundation with cement-sand slurry, additional export of materials, extra pipe and fittings to join existing fire service lines, and extra joint restraints to repair a leak at a customer connection at 423 Jenks Circle on their fire service. The amount of this extra work was originally proposed by the contractor to be \$89,725.35 and was negotiated with the Contractor to a final cost of \$72,227.29.
- Additional potholing of electric and irrigation utilities in Butterfield Park was necessary to reconnect the new reclaimed water service line to the 3" irrigation pipe loop. The proposed connection to the southerly side of the irrigation loop was not found, however, the contractor did find a 6" asbestos cement irrigation line and was directed to connect to the 6" asbestos cement line with a 6"x4" tee and 6" gate valve and additionally to connect to a 2" irrigation line. This work also included repair of an unmarked electrical conduit damaged during trench excavation.

The Contractor proceeded with the work under difficult circumstances and substantially completed the Project on December 21, 2018.

COMMITTEE ACTION:

Not applicable.

STRATEGIC PLAN:

Not applicable.

FISCAL IMPACT:

The construction and construction support costs incurred to date for this project and estimated costs to complete the project are outlined as follows:

Construction	\$414,939.00
Change Order No. 1	\$16,981.67
Change Order No. 2	\$67,405.14
Inspection, Project Management, Construction Support Services	\$137,835.00
City Staff	\$7,031.94
Construction Materials	\$4,369.27
<u>Cost to Complete (estimated)</u>	<u>\$30,000.00</u>
Total Estimated Construction Costs	\$678,562.02

An analysis of the contractor's bid and the change orders has been prepared to distribute common project construction costs to the Water Utility Fund 570 and the General Fund 110 based on the nature of the work performed and to allocate inspection, project management, construction support services, and City staff costs to each fund on a pro-rated basis. Construction costs were found to be split 25.72 percent for the parks reclaimed water irrigation and 74.28 percent for potable water. Reallocating the cost share between the two funds provides the cost split shown in the table below. Approval of the recommended actions will adjust the project funding accordingly between the two funds, reducing the Water Utility Fund 570 by \$160,334.13, reducing the Reclaimed Water System Fund 567 by \$25,000.00 and increasing the General Fund 110 by \$185,334.13.

Corona Airport Waterline CIP (68390) Funding:

Fund	Current Project Funding	Recommended Budget Adjustments	Revised Project Funding
Reclaimed Water Fund 567	\$25,000.00	(\$25,000.00)	\$0
Water Utility Fund 570	\$695,583.70	(\$160,334.13)	\$535,249.57
General Fund 110	\$0	\$185,334.13	\$185,334.13
Totals	\$720,583.70	\$0	\$720,583.70

Fund	07/01/18 Est. Working Capital	Budgeted Revenues/ Sources	Budgeted Expenditures/ Uses	Working Capital Impacts	06/30/19 Est. Working Capital
Reclaimed Water System Fund (Fund 567)	\$-	\$5,470,222	(\$5,470,222)	\$25,000 Reduce CIP Appropriation	\$25,000
Water Utility Fund (Fund 570)	\$8,250,694	\$54,053,213	(\$60,354,406)	\$160,334 Reduce CIP Appropriation	\$2,109,835

GENERAL FUND	
Budget Workshop May 23, 2018 - Estimated Revenue Over Expenditures	\$6,626,911
Previously approved budget adjustments (net)	(5,524,609)
Current Estimated Revenue Over Expenditures*	1,102,302
Appropriation - Corona Airport Waterline	(185,334)
Revised Estimated Revenue Over Expenditures	\$916,968
Budget Balancing Measures Reserve - Estimated for 07/01/18	\$20,645,252
Estimated FY 2018-19 Change in Budget Balancing Measures	916,968
Budget Balancing Measures Reserve - Estimated Balance 06/30/19	\$21,562,220
<i>*Approved through Council Action or other operational process.</i>	

ENVIRONMENTAL ANALYSIS:

The U.S. Army Corps of Engineers (Corps) prepared a categorical exclusion declaration dated May 18, 2018, for the waterline relocation work. The waterline relocation qualified for National Environmental Policy Act (NEPA) categorical exclusion from environmental analysis since the project meets the criteria set forth in the U.S. Army Corps of Engineers 33 CFR Part 230.9 (a): Activities at completed Corps projects which carry out the authorized project purposes, including routine operation and maintenance actions, general administration, equipment purchases, custodial actions, erosion control, painting, repair, rehabilitation, replacement of existing structures and facilities such as buildings, roads, levees, groins and utilities, and installation of new buildings, utilities or roadways in developed areas. Therefore, no environmental analysis is required. The Corps determined there were no extraordinary circumstances that would require preparation of an Environmental Assessment or Environmental Impact Statement. The installation of a new pipeline or the maintenance, repair, restoration, reconditioning, relocation, replacement, removal or demolition of an existing subsurface pipeline is exempt from the California Environmental Quality Act (CEQA) where the project is less than one mile in length and located within a public street, highway, or any other public right-of-way. The Corona Airport Waterline Relocations project includes construction of approximately 1/8 mile of replacement waterline in public right-of-way and is exempt from CEQA.

PREPARED BY: VERNON R. WEISMAN, P.E., DISTRICT ENGINEER

REVIEWED BY: TOM KOPER, P.E., ASSISTANT PUBLIC WORKS DIRECTOR

REVIEWED BY: NELSON D. NELSON, P.E., PUBLIC WORKS DIRECTOR

REVIEWED BY: TOM MOODY, GENERAL MANAGER

REVIEWED BY: KIM SITTON, FINANCE MANAGER

REVIEWED BY: CITA LONGSWORTH, PURCHASING MANAGER

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REVIEWED BY: KERRY D. EDEN, ASSISTANT CITY MANAGER/ADMINISTRATIVE SERVICES DIRECTOR

REVIEWED BY: MICHELE NISSEN, ASSISTANT CITY MANAGER

SUBMITTED BY: DARRELL TALBERT, CITY MANAGER & EXECUTIVE DIRECTOR

Exhibits: “A” - Location Map
 “B” - Contract Change Order No. 2