

CITY OF VENTURA
CITY COUNCIL AGENDA

Supplemental Information Packet

Meeting of July 24, 2023

Received by July 19, 2023, by 10:30 a.m.

Supplemental Information:

Any agenda related public documents received and distributed to a majority of the City Council after the Agenda Packet is printed are included in Supplemental Packets. Supplemental Packets are produced as needed. The Supplemental Packet is available in the City Clerk's Office, 501 Poli Street, Room 204, Ventura, during normal business hours as well as on the City's Website – www.cityofventura.ca.gov
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AGENDA ITEM
13

Date: July 19, 2023

Council Action Date: July 24, 2023

TO: Honorable Mayor and City Council

FROM: Don Penman, Interim City Manager
Gina Dorrington, Ventura Water General Manager

SUBJECT: Supplemental Agenda Item to the July 24, 2023 City Council Agenda Item 13, Contract Award with PCL Construction, Inc. for the Preconstruction Phase of the Construction Management at Risk Contract for the Membrane Bioreactor and Ultraviolet Light Disinfection Project

SUMMARY

This supplemental agenda item provides an update to the Staff Report due to an administrative error in Recommendation A on the original report provided.

AGENDA ITEM

Date: July 3, 2023

Council Action Date: July 24, 2023

TO: Honorable Mayor and City Council

FROM: Don Penman, Interim City Manager
Gina Dorrington, Ventura Water General Manager

SUBJECT: Contract Award with PCL Construction, Inc. for the Preconstruction Phase of the Construction Management at Risk Contract for the Membrane Bioreactor and Ultraviolet Light Disinfection Project

SUMMARY

The Membrane Bioreactor and Ultraviolet Light Disinfection project was added to the Fiscal Year 2023-27 Capital Improvement Plan to provide the necessary repair or replacement of processes at the Ventura Water Reclamation Facility. In November 2022, the City Council authorized the initiation of design on this project, which is currently underway. An appropriations adjustment is needed for year two of this work. To facilitate the upcoming construction, the City will engage the contractor for a preconstruction phase through a contracting method known as Construction Manager at Risk. City Council approval is required to begin contractor constructability review, value engineering, and development of a Guaranteed Maximum Price for construction.

RECOMMENDATION

- a. Approve and authorize the Mayor to execute a contract with PCL Construction, Inc. for the preconstruction phase of the Membrane Bioreactor and Ultraviolet Light Disinfection Project in the amount of \$1,500,000 with a contract completion date of September 30, 2024.
- b. Authorize the Public Works Director or designee to execute future amendments to the contract to a maximum contingency of \$150,000 for a total not-to-exceed contract amount of \$1,650,000 and a total time extension of 60 working days.
- c. Authorize the Finance Department to adjust CIP Appropriations in the Wastewater Capital Improvement Fund 71 Project No. 96972 by \$6,467,463.

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DISCUSSION/ANALYSIS

Because of the direct impact on the future Advanced Water Purification Facility (AWPF) by offering treatment credits for potable reuse and the need to complete this project in conjunction with VenturaWaterPure (VWP), this Membrane Bioreactor (MBR) wastewater project will be completed under the umbrella of VWP.

In July 2021, staff undertook a condition assessment as part of the master planning update for wastewater treatment. The condition assessment found that the secondary treatment was in critical need of repair or replacement. At the same time, staff has been progressing the design to replace the tertiary filters that were identified as needing replacement in 2017. As part of the Tertiary Filter project, Staff asked Carollo Engineers to provide a recommendation on repairing the secondary and tertiary treatment processes as compared to other treatment options. The technical memorandum determined that replacement of the secondary and tertiary treatment processes with a membrane bioreactor (MBR) was a viable and potentially cost-effective option versus repairs to both processes.

The Project provides improved quality of the VWRf tertiary treated water that conforms with the water quality as stipulated in the City's Consent Decree for discharge to the Santa Clara River Estuary. It also provides a higher quality feed for the planned VWP AWPF and contributes to the water quality measures dictated by the State Water Resources Control Board for potable reuse.

In March 2022, the Membrane Bioreactor/Ultraviolet Light Disinfection Project (Project) was added to the Fiscal Year 2023-2027 Wastewater Workplan.

In November 2022, Council approved a professional services agreement with Kennedy/Jenks Consultants, Inc. (KJ) for design of the Project. To date, KJ has completed the Basis of Design Report, identifying the project parameters, high level layout, and process needs, and has begun the preliminary design. The total time of design is expected to take 20 months, an appropriations adjustment is needed for the portion of work set to take place in Fiscal Year 2024.

To facilitate the upcoming construction, the City will engage the contractor for a preconstruction phase through a contracting method known as Construction Manager at Risk (CMAR). This contracting method allows the City to get input on the design and constructability of the Project before construction for this highly complicated project begins. The result will be a price, known as the Guaranteed Maximum Price (GMP), for construction that comes much sooner than would be anticipated versus a traditional design-bid-build project. The project will be value engineered and the number of unforeseen conditions that typically result in change orders will be greatly reduced.

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The CMAR construction delivery method is an alternate construction delivery method that allows an owner to maintain control and input into the design of a project and yet receive feedback from contractors before construction begins. In the case of the Project, this feedback is important as construction will take place while the VWRf continues to operate, space for construction is limited, and the changeover in processing once construction is completed is highly complex. The CMAR delivery method uses a preconstruction phase to obtain contractor input on constructability and to provide value engineering. The contractor also continually develops a cost estimate as the design progresses. At approximately sixty percent of design, the contractor develops a GMP for the project. This price is open book and becomes the basis for the construction phase of the Project. A separate award is made for the construction phase upon acceptance of the GMP by the City. The CMAR process also allows for early construction packages for the prepurchase of equipment or small construction work such as installing dewatering equipment prior to full construction commencing. These early work packages are awarded separately.

The City has developed a comprehensive agreement for CMAR, and it was used to conduct a rigorous contractor selection process. This process takes the form of a request for proposals which defines contractor team, experience, understanding of the Project and scope of work. The proposal also includes a fee for the preconstruction phase, the contractor markup for overhead and profit during construction, and markups for subcontractors and equipment for the construction phase. These fees and markups are guaranteed.

The City received four proposals in response to the CMAR request for proposal.

J. R. Filanc Construction Company, Inc.
PCL Construction, Inc.
Walsh Construction Company II, LLC
WML & Webcor, A Joint Venture

After a thorough review of the proposals against the criteria listed above and interviews, Staff recommends that Council approve PCL Construction, Inc. (PCL) as the CMAR contractor and authorize the Mayor to execute a preconstruction phase contract with PCL for the Project in the amount of \$1,500,000 with a contract completion date of May 30, 2024. Staff also recommend that Council authorize the Public Works Director or designee to execute future amendments to the preconstruction contract to a maximum contingency of \$150,000 for a total not-to-exceed contract amount of \$1,650,000 and a total time extension of 60 working days.

The proposed CMAR Agreement which defines the preconstruction, early work, and construction phases of the Project (Attachment A) has been reviewed and approved as to form by the City Attorney's Office.

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Project Schedule

The estimated schedule of the project milestones is shown below.

Milestone	Date
Bid Opening	May 18, 2023
Preconstruction Contract Award	July 24, 2023
Preconstruction Notice to Proceed	August 1, 2023
Construction Contract Award	Summer, 2024
Construction Contract Notice to Proceed	Fall, 2024
Project Completion	Spring, 2027

FINANCIAL IMPACT

The total financial impact of staff’s recommendation is **\$6,467,463**. An appropriations adjustment in this amount is needed to support this action. This adjustment will cover **\$4,817,463** needed for the Fiscal Year 2024 portion of the Council approved design agreement and **\$1,650,000** needed for the CMAR agreement. Staff will return to Council for approval of any equipment prepurchase and the construction phase after establishment of the GMP. Currently, the estimated total cost for the Project is \$143,500,000.

REQUESTED ACTION Authorize MBR CMAR Agreement and Budget Appropriations Adjustment				
ESTIMATED COST:				\$ 6,467,463
FUND	DEPARTMENT	PROJECT	AMOUNT	AVAILABLE BUDGET
Wastewater CIP (71)	Ventura Water	96972	\$ 6,467,463	Yes*
TOTAL			\$ 6,467,463	

*Sufficient funding is available via an appropriations adjustment

Prepared by: Linda Sumansky, VenturaWaterPure Program Director

ATTACHMENT:

- A Construction Manager at Risk Agreement with PCL Construction, Inc.