



## Legislation Text

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**File #:** K-1011-148 AMD #4, **Version:** 1

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**AMENDMENT NO. FOUR TO CONTRACT K-1011-148:** BY AND BETWEEN THE NORMAN UTILITIES AUTHORITY AND GARVER, L.L.C., INCREASING THE CONTRACT AMOUNT BY \$89,300 FOR A REVISED CONTRACT AMOUNT OF \$5,193,200 TO PROVIDE ADDITIONAL CONSTRUCTION ADMINISTRATION, CONSTRUCTION OBSERVATION, AND WARRANTY ASSISTANCE SERVICES FOR THE WRF PHASE 2 IMPROVEMENTS AND THE WRF PHASE 2 MAINTENANCE ADDITIONS.

**BACKGROUND:** The Wastewater Master Plan (WWMP), adopted by the Norman Utilities Authority (NUA) in 2001, recommended that additional facilities treating an average design flow (ADF) of 21.5 million gallons per day (MGD) would ultimately be needed to serve the area approved for urban development under the 2025 Land Use and Transportation Plan. The WWMP recommended expansion of the South Water Reclamation Facility (WRF) from 12 to 17 MGD and construction of a new North WRF with an ultimate ADF of 4.5 MGD.

More recently, staff recommended and the NUA agreed that the South WRF would be rehabilitated and expanded first and the North WRF would be designed and constructed in the future when the capacity of the recently expanded Lift Station D was consumed. Based on this premise, Norman voters approved a rate increase in October 2013, in part for expanded treatment capacity at the South WRF.

**Regulatory Requirements:** Our Oklahoma Pollutant Discharge Elimination System (OPDES) permit for the South WRF issued by Oklahoma Department of Environmental Quality (DEQ), required construction of new disinfection facilities and compliance with final discharge limits by July 1, 2013. On September 12, 2014, the NUA and DEQ agreed to Consent Order 13-077 which included the following schedule:

1. Complete construction of disinfection facilities by January 1, 2016;
2. Attain compliance with final limits for Fecal Coliform by July 1, 2016;
3. Complete construction of all facilities by January 1, 2017;
4. Attain compliance with final limits for Total Suspended Solids by July 1, 2017.

The NUA completed items 1 and 2 prior to the deadlines imposed by the DEQ and the DEQ agreed construction of the improvements were complete on March 2, 2017. The new facilities attained compliance with discharge parameters before the deadline specified in item 4 and has maintained compliance since that time.

**Engineering Services:** On March 8, 2011, the NUA approved Contract K-1011-148 authorizing Garver Engineering, Inc. (Garver), to proceed with the Engineering Report (ER) and Surveying Phases at a cost of \$397,800. The ER was finalized and submitted to the DEQ on November 18, 2011; the DEQ approved the ER on June 27, 2013. On June 12, 2012, the NUA approved Amendment No. 1 in the amount of \$3,867,000 which authorized Garver to proceed with the Final Design and Bidding phases. The plans and specifications for the improvements were submitted to the DEQ on August 1, 2013 and the DEQ approved them on November 26, 2013. On April 22, 2014, the NUA approved Amendment No. 2 authorizing Garver to proceed with the construction phase services including construction administration, full-time construction observation through November 2016, preparation of operation and maintenance manuals, equipment start-up and staff training, and implementation of the supervisory control and data acquisition (SCADA) system. On February 14, 2017, the NUA approved Amendment No. 3 in the amount of \$839,100 authorizing Garver to proceed with design of the WRF Phase 2 Maintenance Additions as well as extending the construction phase services through November 2017.

**Construction:** Bids for the WRF Phase 2 Improvements were received from three pre-qualified contractors on March 27, 2014. Archer Western Construction, LLC (Archer Western) with regional offices in Irving, Texas was the low bidder. On April 22, 2014, the NUA awarded the bid and approved Contract K-1314-136 with Archer Western in the amount of \$48,822,550; the next lowest bid was \$49,978,000 or 2.4% higher. Approved funding for the WRF Phase 2 Improvements is 40.7% from the Sewer Excise Tax (SET) Fund 322 and 59.3% from the Water Reclamation Fund 032. The project funding is augmented by a State Revolving Fund (SRF) loan from the Oklahoma Water Resources Board (OWRB) for up

to \$50,300,000. Future revenues from the Water Reclamation Fund and the Sewer Excise Tax Fund are dedicated to pay back the SRF loan.

The WRF Phase 2 Improvements added Disinfection Facilities, expanded the average daily design flow from 12 to 17 MGD and rehabilitated many existing processes. Archer Western began construction of the improvements on June 2, 2014. The original work was broken into two phases with the Disinfection Facilities to be completed by November 24, 2015 and all work to be complete by November 18, 2016 (Final Completion).

The NUA has approved Contract Modification Requests (CMR's) included in six (6) change orders for the project. Change Order No. 1 (CO#1) extended the contract time by 47 calendar days through January 4, 2017. CO#2 increased the contract amount by \$98,546.78 and approved a time extension of 32 calendar days through February 5, 2017. CO#3 increased the contract amount by \$152,808.92 and approved a time extension of 53 days through March 30, 2017. The NUA approved CO#4 on February 14, 2017 amending the contract by adding new work identified as the WRF Phase 2 Maintenance Additions. CO#4 increased the contract amount by \$2,828,517.00 (or 5.8% of the original contract amount) for a revised contract amount of \$51,902,422.70 and increased the contract time by 227 calendar days through November 12, 2017. CO#5 increased the contract amount by \$324,283.30 to \$52,226,706.00 and approved a time extension of 124 calendar days for the WRF Phase 2 Improvements through August 1, 2017. Final CO#6 decreased the contract amount by \$72,545.83 from \$52,226,706.00 to \$52,154,160.17 and granted a time extension of 61 calendar days for the WRF Phase 2 Maintenance Additions through January 14, 2018.

The Disinfection Facilities were placed into operation on October 29, 2015 and these facilities meet discharge disinfection requirements. On March 2, 2017, the DEQ inspector agreed the WRF Phase 2 Improvements were substantially complete and operational. Ancillary items such as paving, yard lighting, fencing, landscaping and final cleanup were complete on August 1, 2017. The WRF Phase 2 Maintenance Additions were complete on January 12, 2018. However, the two-year maintenance bond (MB-1718-24) for the Maintenance Additions began on September 11, 2018. The final construction payment of \$407,197.98 was processed October 9, 2018 for a contract total of \$52,154,160.17.

**DISCUSSION:** Proposed Amendment No. 4 to Contract K-1011-148 authorizes Garver to perform additional engineering services during completion of the WRF Phase 2 Maintenance Improvements. The work scope is detailed in Appendix A.4 of the amendment is divided into four sections; a price of \$89,300 has been negotiated with Garver.

1. Section 1 fees for Construction Administration services are required due to the construction contract being extended approximately two months. The monthly cost was about \$15,500 for a total of \$35,000; this compares to a monthly cost of about \$72,000 for the original 30 month contract duration. The reduced scope included periodic meetings with the contractor and other entities as required, CMR review, review and approval of contractor construction pay estimates, review of labor payrolls for compliance, etc.
2. Section 2 fees for Construction Observation services are also required due to the construction contract being extended for approximately 2 months. The monthly cost was about \$12,400 for a total of \$24,800; this compares to a monthly cost of about \$79,000 for the original 30 month contract duration. The reduced scope included provision of one part-time on-site representative to document construction activities, weather, and reporting issues to the Engineer and the NUA that may affect the project cost or time of completion.
3. Section 3 fees are for out-of-scope Construction Observation services incurred for night-time work when summer temperatures exceeded those allowable for painting and curing concrete and steel structures. \$12,000 of the extra cost of \$12,700 was reimbursed by the contractor under CMR 97.
4. Section 4 fees are estimated at \$16,800 for Warranty Assistance services to be provided through December 31, 2018. Garver has been working with staff, the contractor and blower manufacturer to resolve operational control issues. The blower warranty has been extended for 5 years due to these issues which should be resolved prior to the end of 2018.

At this time, the FYE19 design budget for the WRF Phase 2 Improvements (WW0065) includes contingency funds totaling \$105,844 including \$63,336 in the Water Reclamation Fund (WRF) and \$42,508 in the Sewer Excise Tax (SET). This funding is adequate to fund proposed design Amendment No. 4 in the amount of \$89,300. As per the funding split for the project, 40.7% or \$36,345 will be funded by SET design account 322-9048-432.62-01 and 59.3% or \$52,955 will be funded by WRF design account 032-9048-432.62-01. This is the final amendment to the Garver contract.

**RECOMMENDATION:** Staff recommends that the NUA approve Amendment No. 4 to Contract K-1011-148 with Garver, LLC of Norman, Oklahoma in the amount of \$89,300.