



## Legislation Text

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**File #:** K-1112-124 Amd 2, **Version:** 1

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**AMENDMENT NO. TWO TO CONTRACT K-1112-124:** BY AND BETWEEN THE NORMAN UTILITIES AUTHORITY AND CAROLLO ENGINEERS INCREASING THE CONTRACT AMOUNT BY \$320,866.98 FOR A REVISED CONTRACT AMOUNT OF \$5,483,736.98 FOR THE WATER TREATMENT PLANT PHASE II IMPROVEMENTS DESIGN, CONSTRUCTION ADMINISTRATION AND INSPECTION SERVICES, AND BUDGET APPROPRIATION FROM THE WATER FUND BALANCE.

**BACKGROUND:** Carollo Engineers (Carollo) prepared the design plans and specifications, and provided construction oversight and inspection services for the Phase I Water Treatment Plant (WTP) Expansion. Construction began on August 26, 2009 and was completed on February 28, 2011 by Wynn Construction of Oklahoma City at a cost of \$12,361,988.

On May 22, 2012, the Norman Utilities Authority (NUA) approved Contract K-1112-124 to perform design services for the Phase II WTP Improvements; an 8-month ozone pilot project was also completed as a part of the contract. On February 2, 2015, the NUA approved Amendment No. 1 to the contract, to complete the design, provide construction administration services, and provide full-time on-site construction inspection services for the WTP Phase II Improvements.

On January 13, 2015, Norman citizens approved a water rate increase with 67% voting in favor of the increase. The rate increase will generate capital of approximately \$49 million of which \$31 million is for the WTP Phase II Improvements.

The design was completed and the Oklahoma Department of Environmental Quality (ODEQ) approved the plans and specifications on January 18, 2017. The Phase II WTP Improvements generally include:

- New 17 million gallons per day (MG/D) ozone system;
- Ultraviolet disinfection system;
- On-site hypochlorite solution generation system;
- Intermediate (low lift) pump station;
- Chemical feed equipment and new chemical feed building;
- New maintenance building;
- New administration building and architectural improvements to the existing filter building;
- Rehabilitation of high pressure zone pump station; and
- Associated electrical and control system improvements.

The project construction is funded by a State Revolving Fund loan administered by ODEQ and dispersed from the Oklahoma Water Resources Board (OWRB). A loan of up to \$31 million from the OWRB was approved by the NUA on January 17, 2017 and the loan closed on January 31, 2017 at an interest rate of 2.81% for a 15-year term.

Construction of the improvements began on May 29, 2017 and the work was scheduled to be complete within 730 calendar days. On June 5, 2018, the NUA approved Change Order No. 1 increasing the amount by \$207,727.96 with a time extension of 87 calendar days. On June 11, 2019, the NUA will consider Change Order No. 2 increasing the contract by \$317,569.28 with a time extension of 118 calendar days for weather delays or additional work associated with the change order. For both change orders, the construction duration is extended a total of 205 calendar days or through December 20, 2019.

**DISCUSSION:** As noted above, Change Orders 1 & 2 have extended the construction duration by 205 calendar days through December 20, 2019. The extension of construction time requires the construction administration and inspection services performed by Carollo to be extended as well.

Staff and Carollo have negotiated the work scope and fee for the remaining engineering services listed in proposed Amendment 2 to Contract K-1112-124. Task Order 3 of Carollo Amendment 2 will extend the existing Construction Administration and On-site Inspection services through December 2019. Amendment 2 will also add services for Additional Punch List Development and Additional Services which cover modification to plans and specifications for value-added items. As detailed in the amendment, monthly and hourly rates were used to negotiate the “Not to Exceed” cost of \$320,866.98. Staff intends to curtail on-site inspection services toward the end of the project and does not anticipate spending the full contract amount.

Amendment No. 2 will increase the Carollo contract by \$320,866.98 to \$5,483,736.98; this contract total is 18.0% of the current construction contract amount. To fund Amendment No. 2, staff recommends appropriation of \$321,000 from the Water Fund Balance (account 031-0000-253.00-00) to Water Treatment Plant Improvements, Design (account 031-9939-462.62-01; project WA0291). Once the project is complete, any unused construction funds from the SRF loan can be reallocated to reimburse a portion of the design costs.

**RECOMMENDATION:** Staff recommends approval of Amendment 2 to Contract K-1112-124 with Carollo Engineers, totaling \$320,866.98. Staff also recommends an appropriation of \$321,000 from the Water Fund Balance (account 031-0000-253.00-00) to Water Treatment Plant Improvements, Design (account 031-9939-462.62-01; project WA0291).