



AGENDA REPORT

Meeting Date: May 3, 2016
Item Number: D-11
To: Honorable Mayor & City Council
From: Mark Cuneo, City Engineer *MC*
Vincent Chee, Project Manager *VC*

Subject: APPROVE A CHANGE PURCHASE ORDER IN THE AMOUNT OF \$200,000 TO CANYON SPRINGS ENTERPRISES DBA RSH CONSTRUCTION SERVICES FOR THE PROJECT "REVERSE OSMOSIS (R.O.) WATER TREATMENT PLANT REHABILITATION" (JOB #10102); AND
APPROPRIATION OF \$200,000 FROM THE WATER FUND

Attachments: None

RECOMMENDATION

Staff recommends that the City Council approve a change purchase order to Canyon Springs Enterprises dba RSH Construction Services (RSH) for the Reverse Osmosis (R.O.) Water Treatment Plant Rehabilitation Project (Project) (Job #10102); and appropriate \$200,000 from the Water Fund to Capital Improvement Project No. 795, Water Treatment Plant.

INTRODUCTION

On June 8, 2015, City Council awarded a construction contract and approved a purchase order in the amount of \$2,593,122 to RSH for the Project. The scope of work for this project includes several maintenance repairs and operational upgrades which will improve operational efficiency, safety and extend asset life. Construction is approximately 80% complete; however, due to unforeseen conditions, a significant change to the chemical feed system is necessary to complete the project. The cost of this change in conjunction with several other changes that have occurred during construction is anticipated to exceed the purchase order amount previously approved. A

change purchase order in the amount of \$200,000 for a total purchase order amount of \$2,793,122 is required to complete the rehabilitation project and bring the water treatment plant back into operation.

DISCUSSION

On September 21, 2015, RSH mobilized and construction of the water treatment plant rehabilitation project commenced. During construction, several components of the project required redesign and construction change orders were issued to RSH to implement the changes. Many of these unforeseen condition changes were caused by the lack of available accurate as-built drawings from the original construction of the plant.

To date, change orders for extra work in an amount of \$136,741 have been issued from the construction contingency allowance amount of \$250,000 leaving an available contingency amount of \$113,259.

At this time, a significant change to the chemical feed system is necessary to complete the project. This change requires the relocation of the electrical control panels for the chemical feed system to an exterior area adjacent to the building. The relocation requires significant changes to the electrical control panels and installation of electrical conduits. The anticipated cost of this change is approximately \$213,000.

In order to implement this change and complete the project, staff recommends that a change purchase order in an amount \$200,000 is approved. This amount includes a contingency allowance of approximately \$100,000 for any further required changes due to unforeseen conditions that may be necessary to complete the project and bring the water treatment plant back online.

FISCAL IMPACT

The existing purchase order issued to RSH for this Project is \$2,593,122. A change purchase order to RHS is recommended in the amount of \$200,000 for a total purchase order amount of \$2,793,122. Additional funds in the amount of \$200,000 are to be appropriated from the Water Fund to Capital Improvement Project No. 795.



Don Rhoads

Approved By



George Chavez

Approved By