



City Council Staff Report

Date: September 4, 2013

CONSENT CALENDAR

Subject: APPROVAL OF NOTICE TO PROCEED FOR VEOLIA WEST OPERATING SERVICES, INC. FOR THE DESIGN AND, SUBSEQUENTLY, CONSTRUCTION OF THE WWTP PRIORITY 1 PLANT UPGRADE PROJECTS, CITY PROJECT NO'S., 13-19, 13-20, 13-21, 13-22, 13-23, 13-24.

From: David H. Ready, City Manager

Initiated by: Public Works and Engineering Department

SUMMARY

Approval of these items will authorize Veolia West Operating Services, Inc., ("Veolia") to proceed with the design and, subsequently, construction of the Wastewater Treatment Plant (WWTP) Priority 1 Plant Upgrade Projects as per the Capital Improvement Plan.

RECOMMENDATION:

1. Authorize the Director of Public Works/City Engineer to issue a Notice to Proceed for Veolia West Operating Services, Inc. for the design of Digester No. 2 Dome Replacement, City Project No. 13-19, in the amount of \$168,259 and approve proceeding with construction at a total cost not to exceed \$1,050,000.
2. Authorize the Director of Public Works/City Engineer to issue a Notice to Proceed for Veolia West Operating Services, Inc. for the design of a New Sludge Centrifuge, City Project No. 13-20, in the amount of \$238,768 and approve proceeding with construction at a total cost not to exceed \$1,490,000.
3. Authorize the Director of Public Works/City Engineer to issue a Notice to Proceed for Veolia West Operating Services, Inc. for the design of a New Primary Effluent Pump Station, City Project No. 13-21, in the amount of \$466,319 and approve proceeding with construction at a total cost not to exceed \$2,910,000.
4. Authorize the Director of Public Works/City Engineer to issue a Notice to Proceed for Veolia West Operating Services, Inc. for the design of New Headworks, City Project No. 13-22, in the amount of \$948,662 and approve proceeding with construction at a total cost not to exceed \$5,920,000.

ITEM NO. 23

5. Authorize the Director of Public Works/City Engineer to issue a Notice to Proceed for Veolia West Operating Services, Inc. for the design of New Circular Primary Clarifiers w/Sludge Pump Station, City Project No. 13-23, in the amount of \$1,450,235 and approve proceeding with construction at a total cost not to exceed \$9,050,000.
6. Authorize the Director of Public Works/City Engineer to issue a Notice to Proceed for Veolia West Operating Services, Inc. for WWTP Facility Plan, City Project No. 13-24, in the amount of \$40,062.

STAFF ANALYSIS:

The City previously adopted an engineering evaluation report of the City's aging wastewater treatment plant prepared by Carollo Engineers. The report, or Capital Repair and Rehabilitation Plan, commonly referred to as a Capital Improvement Plan ("CIP") for the City's wastewater treatment plant ("WWTP") identified \$67 million (2012 costs) of capital repair and replacement projects needed over the next 20 years, including over \$45 million (2012 costs) of priority 1 & 2 projects needed within the next 10 years.

Subsequently, the City Council reviewed and approved the 2012 Wastewater Financial Plan and Rate Study with regard to funding the entire 20-Year Wastewater Treatment Plant CIP. The Rate Study reviewed the 20-year WWTP CIP and determined that the City can appropriately finance the recommended capital projects (Attachment "B", City Council's WWTP Prioritization List), as well as on-going Operations & Maintenance (O&M) expenditures associated with the WWTP, by initially increasing the historically low monthly sewer rate of \$10.36 per residential dwelling unit or equivalent dwelling unit (EDU) to \$20 per EDU over five years, and subsequently at a rate of \$1.00 per EDU to a maximum monthly rate of \$35.00 per EDU by 2031. Shortly thereafter, the City Council adopted a resolution approving increased sewer service charges effective July 1, 2012.

The City of Palm Springs in cooperation with Veolia issued a Request for Proposals (RFP #05-13) for Engineering Design Services for the WWTP Plant Upgrade Project which included Priority 1 Projects from the CIP. Proposals were received in May 2013 and a review committee made up of City Staff and Veolia evaluated and interviewed firms which resulted in the selection of Carollo Engineers. Veolia, with consent from the City, proceeded with price negotiations with Carollo Engineers and resulted in a savings of \$200,000 from the initial cost proposal by Carollo and two additional tasks which included Odor Modeling and System Startup and Training, which were not in the original proposal.

This staff report seeks approval from the City Council to allow Veolia to proceed with the design and, subsequently, construction of all Priority 1 Projects as listed on attachment "B", not to exceed the approved budget as approved by City Council in the WWTP Financial Plan and Rate Study.

Veolia will provide direct supervision and coordination of the consultant through preparation of the plans and specifications. Veolia's proposal includes four components: Professional Services (consultant fees), Veolia Labor (contract administration, oversight and coordination throughout the 12 month design period), Travel & Living, and Liability Insurance (to offset Veolia's general liability insurance costs assumed with contracting directly with the professional consultants). The proposed fees are as follows:

Capital Improvement Project	Project Cost
CP#13-19, Digester No. 2 Dome Replacement	\$ 168,259
CP#13-20, Sludge Centrifuge	\$ 238,768
CP#13-21, Primary Effluent Pump Station	\$ 466,319
CP#13-22, Headworks	\$ 948,662
CP#13-23, Circular Primary Clarifiers w/Sludge Pump Station	\$1,450,234
CP#13-24, WWTP Facility Plan	\$ 40,062
GRAND TOTAL	\$3,312,304

In accordance with Section 5.3(f) of the Amended and Restated Wastewater Services Agreement between the City and Veolia, Veolia is entitled to make a first proposal to do any Capital Project related to the wastewater treatment plant. The Agreement provides for a mark-up and profit margin varying between 12.5% and 16%. For this project, Veolia has proposed a 12.5% mark-up which is applied only to the professional consultant fees, and is not applied to Veolia's own labor rates, travel & living, or general liability insurance. Veolia's proposal is included as Attachment 2.

FISCAL IMPACT:

Sewer rates have been increased, effective July 1, 2012. Priority 1 projects are the first projects to be funded with sewerage funds within the first ten (10) years of the rate increase. Sufficient funds are available for design services in the following corresponding Wastewater Treatment Plant Capital Project accounts: 420-6800-50000, 420-6800-57031, 420-6800-57032, 420-6800-57033, 420-6800-57034 and 420-6800-57035. Funds will be budgeted continuously each year for the remainder of design to construction as approved by City Council.

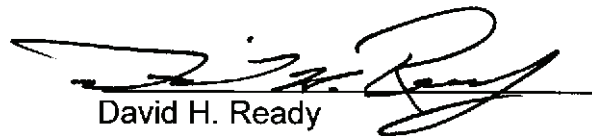
SUBMITTED:

Recommended by:



David J. Barakian
Director of Public Works/City Engineer

Approved by:



David H. Ready
City Manager

Attachments:

1. Attachment "B", City Council's WWTP Prioritization List
2. Veolia's Proposal for WWTP Upgrade Projects for Design

Attachment "B"
City Council's WWTP Prioritization List

Priority 1 Projects	
New Circular Primary Clarifiers w/Sludge Pump Station	\$9,050,000
New Headworks	\$5,920,000
New Primary Effluent Pump Station	\$2,910,000
New Sludge Centrifuge	\$1,490,000
Digester No. 2 Dome Replacement	\$1,050,000
WWTP Facility Plan	\$250,000
Priority 1 Total	\$20,670,000

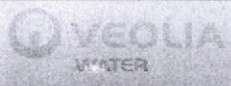
Priority 2 Projects	
Secondary Clarifier Upgrades	\$2,010,000
FOG Receiving Station	\$1,600,000
Trickling Filter Upgrades	\$1,560,000
Gravity Thickener Upgrades	\$1,400,000
New Gas Flare	\$1,000,000
General Sitework Pavement Replacement	\$720,000
Pavement Replacement in Drying Beds 13-18 and 19-26	\$710,000
New Septage Receiving Station	\$500,000
New Access Rd w/ Signalized Access fr Gene Autry	\$500,000
Water System Upgrade for Fire Protection	\$500,000
Filtrate Pump Station Upgrade	\$500,000
Priority 2 Total	\$11,000,000

Priority 3 Projects	
Third Digester (Acid or Conventional)	\$7,200,000
Fuel Cell Purchase and Installation	\$4,060,000
Digester Gas Treatment System	\$2,000,000
Priority 3 Total	13,260,000

Priority 4 Projects	
Crossley Road Collection System Upsize	\$4,400,000
Indian Canyon Drive Collection System Upsize	\$2,400,000
Palm Canyon Drive Collection System Upsize	\$1,800,000
New Administration Building	\$1,600,000
Priority 4 Total	\$10,200,000

Total 20-Year CIP	\$55,130,000
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The list of projects above have been deemed critical to ensuring the City's ability to safely and adequately provide wastewater treatment of the sewage generated within the City. The list of projects cannot be funded from the City's current sewer rates, and an increase to the sewer rates will be necessary to fund the required capital improvements.



Project Cost Summary Sheet
City of Palm Springs

PROJECT DATA INPUT

Job No	Project Name	Location	Revision	Date	JCE Model
1006740	WWTP Upgrades Priority 1 Projects	Palm Springs WWTP	0	07/26/13	V1.8 PS
PROPOSAL INFORMATION					
Project Name	WWTP Upgrades Priority 1 Projects				
Job Number	1006740				
Location	Palm Springs WWTP				
Project Manager	Michelle McLeay				
Proposal Manager	Fadi Alabbas				
Date	7/26/2013				
Revision	0				

Master Job Cost Estimate Model
Version 1.8 City of Palm Springs
Password (1111)

MULTIPLIERS

	CONTINGENCY	MARK UP		
Construction Subcontractors	0.0%	12.5%	Estimate Total \$	3,312,304
Engineering Consultants	0.0%	12.5%	Mark Up \$	333,750
Intercompany Services	0.0%	12.5%		
Material & Equipment	0.0%	12.5%		
Labor	0.0%	0.0%		
Travel and Living	0.0%	0.0%		
Taxes Bonds Other	0.0%	0.0%		
Site Costs	0.0%	0.0%		
TOTAL:	\$	\$	333,750	

10 - CONSTRUCTION & PROFESSIONAL SERVICES

Description	Direct Cost	Contingency	Mark up	Total	% of Sell
100 Demolition Subcontractors	\$ -	\$ -	\$ -	\$ -	0.0%
101 Site Remediation Subcontractors	\$ -	\$ -	\$ -	\$ -	0.0%
102 Earthwork Subcontractors	\$ -	\$ -	\$ -	\$ -	0.0%
103 Civil/Concrete Subcontractors	\$ -	\$ -	\$ -	\$ -	0.0%
104 General/Building Subcontractors	\$ -	\$ -	\$ -	\$ -	0.0%
105 Mechanical Installation Subcontractors	\$ -	\$ -	\$ -	\$ -	0.0%
106 Electrical Installation Subcontractors	\$ -	\$ -	\$ -	\$ -	0.0%
107 Field Erected Tanks Subcontractors	\$ -	\$ -	\$ -	\$ -	0.0%
108 Miscellaneous Installation Subcontractors	\$ -	\$ -	\$ -	\$ -	0.0%
150 Professional Services	\$ 2,670,000	\$ -	\$ 333,750	\$ 3,003,750	90.7%
160 Intercompany Services	\$ -	\$ -	\$ -	\$ -	0.0%
SUBTOTAL	\$ 2,670,000	\$ -	\$ 333,750	\$ 3,003,750	90.7%

20 - MATERIAL & EQUIPMENT

Description	Direct Cost	Contingency	Mark up	Total	% of Sell
200 Mechanical Equipment	\$ -	\$ -	\$ -	\$ -	0.0%
210 Electrical Equipment	\$ -	\$ -	\$ -	\$ -	0.0%
220 Intercompany Equipment	\$ -	\$ -	\$ -	\$ -	0.0%
230 Other Equipment	\$ -	\$ -	\$ -	\$ -	0.0%
SUBTOTAL	\$ -	\$ -	\$ -	\$ -	0.0%

30 - LABOR

Description	Direct Cost	Contingency	Mark up	Total	% of Sell
300 Project Management	\$ 260,968	\$ -	\$ -	\$ 260,968	7.9%
305 Senior Project Management	\$ -	\$ -	\$ -	\$ -	0.0%
310 Principal	\$ 23,090	\$ -	\$ -	\$ 23,090	0.7%
320 Administration	\$ -	\$ -	\$ -	\$ -	0.0%
330 Construction Manager	\$ -	\$ -	\$ -	\$ -	0.0%
340 Assistant Project Manager	\$ -	\$ -	\$ -	\$ -	0.0%
350 Sr. Construction Manager	\$ -	\$ -	\$ -	\$ -	0.0%
360 Project Engineer	\$ -	\$ -	\$ -	\$ -	0.0%
370 x	\$ -	\$ -	\$ -	\$ -	0.0%
380 Labor - Commissions	\$ -	\$ -	\$ -	\$ -	0.0%
390 Operations Labor	\$ -	\$ -	\$ -	\$ -	0.0%
SUBTOTAL	\$ 284,058	\$ -	\$ -	\$ 284,058	8.6%

40 - TRAVEL & LIVING / CONCUR

Description	Direct Cost	Contingency	Mark up	Total	% of Sell
400 Travel & Living	\$ 2,560	\$ -	\$ -	\$ 2,560	0.1%
400 Travel & Living Other	\$ -	\$ -	\$ -	\$ -	0.0%
SUBTOTAL	\$ 2,560	\$ -	\$ -	\$ 2,560	0.1%

41 - (CM) TRAVEL & LIVING / CONCUR

Description	Direct Cost	Contingency	Mark up	Total	% of Sell
410 Travel & Living	\$ -	\$ -	\$ -	\$ -	0.0%
410 Travel & Living Other	\$ -	\$ -	\$ -	\$ -	0.0%
SUBTOTAL	\$ -	\$ -	\$ -	\$ -	0.0%

50 - TAXES-BONDS-OTHER

Description	Direct Cost	Contingency	Mark up	Total	% of Sell
500 Freight	\$ -	\$ -	\$ -	\$ -	0.0%
500 Surety Bonds	\$ -	\$ -	\$ -	\$ -	0.0%
500 Bid Bonds	\$ -	\$ -	\$ -	\$ -	0.0%
500 Builders Risk Insurance	\$ -	\$ -	\$ -	\$ -	0.0%
500 General Liability Insurance	\$ 21,935.85	\$ -	\$ -	\$ 21,936	0.7%
500 Sales & Use Tax	\$ -	\$ -	\$ -	\$ -	0.0%
500 License/Permit Fees	\$ -	\$ -	\$ -	\$ -	0.0%
500 Southern California Edison installation	\$ -	\$ -	\$ -	\$ -	0.0%
SUBTOTAL	\$ 21,936	\$ -	\$ -	\$ 21,936	0.7%

60 - SITE COSTS

Cost Code / Phase	Description	Direct Cost	Contingency	Mark up	Total	% of Sell
600 General Site Costs	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
600 CM Living Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
610 Fleet Vehicle	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
620 Start-up Costs	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
SUBTOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%

TOTALS

Cost	Contingency	Gross Mark Up	Sell
\$ 2,978,553.62	\$ -	\$ 333,750.00	\$ 3,312,303.62

100.0%

Cost Verification False

END OF SHEET