



City Council Staff Report

December 17, 2008

CONSENT CALENDAR

Subject: APPROVAL OF A NOTICE TO PROCEED FOR VEOLIA WATER NORTH AMERICA-WEST, LLC, FOR THE DESIGN PHASE OF THE DIGESTER NO. 1 REHABILITATION, CITY PROJECT NO. 08-09.

From: David H. Ready, City Manager

Initiated by: Public Works and Engineering Department

SUMMARY

Approval of this item will authorize Veolia Water North America-West, LLC ("Veolia") to proceed with the completion of plans and specifications, and construction bidding, for the rehabilitation of Digester No. 1 at the wastewater treatment plant.

RECOMMENDATION:

- 1) Approve a Notice to Proceed for Veolia Water North America-West, LLC, in the amount of \$503,286 for the design phase of the Digester No. 1 Rehabilitation, City Project No. 08-09.

STAFF ANALYSIS:

Previously, the City and Veolia coordinated the overhaul of the wastewater treatment plant Digester No. 2 system, which is now operating as the City's primary digester. Currently, the previously used primary digester (Digester No. 1) is not in operation. This budgeted wastewater treatment plant Capital Project will overhaul Digester No. 1 similar to the recently completed Digester No. 2 project, such that both of the Digester systems are operational and on-line.

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 scope of work for this project involves the rehabilitation of Digester No. 1 similar to what has been accomplished for Digester No. 2, and includes additional electrical system upgrades to facilitate the upgraded equipment.

Item No. **2.K.**

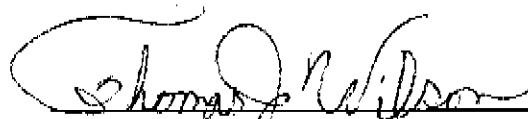
Staff has reviewed Veolia's proposal, and recommends approval of the fee of \$503,286 (see Attachment 1) which includes professional design fees for Veolia's consultants, Veolia's labor fees for administering this phase of the project, and a 12.5% gross mark-up as authorized pursuant to the Agreement. The proposal also includes advance purchase of equipment to be used in the construction.

FISCAL IMPACT:

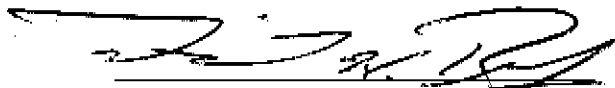
The price for this work was negotiated pursuant to Section 5.3 of the Agreement and will not exceed \$503,286. Sufficient funds are available in the Wastewater Treatment Fund Account No. 420-6800-57023 (Digester Rehab 1).



David J. Barakian
Director of Public Works/City Engineer



Thomas J. Wilson
Assistant City Manager



David H. Ready, City Manager

Attachments:

- 1) Veolia Proposal



Master Cost Summary Sheet

12/9/08

PROJECT DATA INPUT

Job No:	3019000	Project Name:	Palmdale WWS #1 Engr. Management and Maj.	Location:	Palmdale, CA	Contract No.:	6	Date:	12/09/08	Rev. No.:	V1.5.1008
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PROPOSAL INFORMATION

Project Name:	Palmdale WWS #1 Engr. Management and Maj.	Master Job Cost Estimate Model Version 1.5, 1/9/2008 DCR Password (1111)
Job Number:	3019000	
Location:	Palmdale, CA	
Project Manager:	Robert Egan	
Proposal Manager:	Chris Williams	
Date:	12/09/08	
Revision:	0	

MULTIPLIERS

	CONTINGENCY	MARGIN	Self Ins.	
Construction Subcontractors:		12.5%	\$	584,862
Engineering Consultants:			\$	(81,636)
Intercompany Services:			\$	563,226
Material & Equipment:				
Labor:				
Travel and Living:				
Taxes/Bonds/Other:			0.00%	
Site Costs:				
TOTAL:				

10 - CONSTRUCTION & PROFESSIONAL SERVICES						
Description	Direct Cost	Contingency	Margin	Total	% of Est	
100 Demolition Subcontractors	\$ -	\$ -	\$ -	\$ -	-	0.0%
101 Site Remediation Subcontractors	\$ 58,830	\$ -	\$ 8,404	\$ 67,234	11.5%	
102 Earthwork Subcontractors	\$ -	\$ -	\$ -	\$ -	-	0.0%
103 CM Concrete Subcontractors	\$ -	\$ -	\$ -	\$ -	-	0.0%
104 General Building Subcontractors	\$ -	\$ -	\$ -	\$ -	-	0.0%
105 Mechanical Installation Subcontractors	\$ -	\$ -	\$ -	\$ -	-	0.0%
106 Electrical Installation Subcontractors	\$ -	\$ -	\$ -	\$ -	-	0.0%
107 Tank Erected Tanks Subcontractors	\$ 13,000	\$ -	\$ 1,857	\$ 14,857	2.5%	
108 Miscellaneous Installation Subcontractors	\$ -	\$ -	\$ -	\$ -	-	0.0%
150 Professional Services	\$ 182,173	\$ -	\$ 26,025	\$ 208,198	35.6%	
160 Intercompany Services	\$ -	\$ -	\$ -	\$ -	-	0.0%
SUBTOTAL:	\$ 254,003	\$ -	\$ 34,286	\$ 288,289		49.6%
CALC'D MARGIN:		12.50%				

20 - MATERIAL & EQUIPMENT						
Description	Direct Cost	Contingency	Margin	Total	% of Est	
200 Mechanical Equipment	\$ 153,359	\$ -	\$ 21,808	\$ 175,167	30.0%	
210 Electrical Equipment	\$ -	\$ -	\$ -	\$ -	-	0.0%
220 Miscellaneous Equipment	\$ -	\$ -	\$ -	\$ -	-	0.0%
230 Other Equipment	\$ -	\$ -	\$ -	\$ -	-	0.0%
SUBTOTAL:	\$ 153,359	\$ -	\$ 21,808	\$ 175,167		30.0%
CALC'D MARGIN:		12.50%				

30 - LABOR						
Description	Direct Cost	Contingency	Margin	Total	% of Est	
300 Project Management	\$ -	\$ -	\$ -	\$ -	-	0.0%
305 Safety Project Management	\$ 34,781	\$ -	\$ 4,965	\$ 39,747	6.8%	
310 Project Oversight	\$ 22,035	\$ -	\$ 3,148	\$ 25,183	4.3%	
320 Administration	\$ 5,891	\$ -	\$ 840	\$ 6,731	1.1%	
330 Construction Manager	\$ -	\$ -	\$ -	\$ -	-	0.0%
340 Scheduling Services	\$ -	\$ -	\$ -	\$ -	-	0.0%
350 Sr. Construction Manager	\$ 10,218	\$ -	\$ 2,803	\$ 13,021	2.3%	
360 Project Engineer	\$ -	\$ -	\$ -	\$ -	-	0.0%
370 ?	\$ -	\$ -	\$ -	\$ -	-	0.0%
380 Labor - Commissions	\$ -	\$ -	\$ -	\$ -	-	0.0%
390 Operations Labor	\$ -	\$ -	\$ -	\$ -	-	0.0%
SUBTOTAL:	\$ 73,925	\$ -	\$ 11,616	\$ 85,541		15.0%
CALC'D MARGIN:		12.50%				

40 - TRAVEL & LIVING - CONCUR						
Description	Direct Cost	Contingency	Margin	Total	% of Est	
400 Travel & Living	\$ 2,238	\$ -	\$ 320	\$ 2,557	0.4%	
405 Travel & Living Other	\$ -	\$ -	\$ -	\$ -	-	0.0%
SUBTOTAL:	\$ 2,238	\$ -	\$ 320	\$ 2,557		0.4%
CALC'D MARGIN:		12.50%				

41 - (00) TRAVEL & LIVING - CONCUR						
Description	Direct Cost	Contingency	Margin	Total	% of Est	
410 Travel & Living	\$ 4,735	\$ -	\$ 676	\$ 5,411	0.9%	
415 Travel & Living Other	\$ 400	\$ -	\$ 57	\$ 457	0.1%	
SUBTOTAL:	\$ 5,135	\$ -	\$ 733	\$ 5,868		1.0%
CALC'D MARGIN:		12.50%				

50 - TAXES-BONUS-OTHER						
Description	Direct Cost	Contingency	Margin	Total	% of Est	
500 Freight	\$ -	\$ -	\$ -	\$ -	-	0.0%
505 Supply Bonds	\$ -	\$ -	\$ -	\$ -	-	0.0%
510 Fuel Taxes	\$ -	\$ -	\$ -	\$ -	-	0.0%
515 Building Risk Insurance	\$ -	\$ -	\$ -	\$ -	-	0.0%
520 General Liability Insurance	\$ 4,285.10	\$ -	\$ 612	\$ 4,897	0.8%	
525 Auto & Trip Exp	\$ 11,837.30	\$ -	\$ 1,694	\$ 13,531	2.3%	
530 Workers Comp. Fees	\$ -	\$ -	\$ -	\$ -	-	0.0%
535 Project Development Costs	\$ -	\$ -	\$ -	\$ -	-	0.0%
SUBTOTAL:	\$ 16,122.40	\$ -	\$ 2,306	\$ 18,428.40		3.2%
CALC'D MARGIN:		12.50%				

60 - SITE COSTS						
Description	Direct Cost	Contingency	Margin	Total	% of Est	
600 General Site Costs	\$ -	\$ -	\$ -	\$ -	-	0.0%
605 GM Living Expenses	\$ -	\$ -	\$ -	\$ -	-	0.0%
610 Field Vehicle	\$ -	\$ -	\$ -	\$ -	-	0.0%
650 Start-Up Costs	\$ -	\$ -	\$ -	\$ -	-	0.0%
SUBTOTAL:	\$ -	\$ -	\$ -	\$ -		0.0%
CALC'D MARGIN:						

TOTALS:						
				\$ 584,862.01		100.0%
			Gross Margin	12.50%		
Cost Verification	True					