ORIGINATING SECTION:  Engineering
CONTACT:  Brandon Woods/Rhett Alzona

AGENDA DATE:  July 15, 2020

SUBJECT:  Contract Amendment for Construction Management Services for the DVWTP Ozonation Project

SUMMARY:

- In order to deliver safe and reliable supply of water, Zone 7 Water Agency (Zone 7) is in the process of implementing the Del Valle Water Treatment Plant (DVWTP) Ozonation Project. This project is in support of Strategic Plan Initiative No. 6 - Implement Ozone.

- Psomas (formerly under the company name of The Covello Group) is providing construction management (CM) services for the project.

- Psomas went through a Request For Proposal (RFP) consultant selection process for construction management of the DVWTP Ozonation Project. Psomas was determined to be the most suitable firm to perform these CM services for the project.

- In July 2017, Psomas entered into a contract with Zone 7 in an amount not-to-exceed $3,204,000. Psomas has performed duties that include coordinating project meetings, monitoring project schedule, negotiating change orders, performing daily inspections and maintaining project construction records and documents. To date, their performance has been to Zone 7’s satisfaction.

- Although construction is essentially complete, the project required additional time, material testing services and some extra work to achieve final completion. Additionally, the contractor, Overaa, Inc. has submitted change-order-requests (cost claims) for additional work effort and extended overhead that are being contested by Zone 7 as excessive. In order to work through the dispute resolution process, additional work by Psomas will be required.

- An additional amount of $335,000 is estimated for Psomas construction management services to work through the dispute resolution process. The current construction cost including change orders totals approximately $37 million. The unsettled change-order-requests, claims currently total approximately $3.6 million. The $335,000 amount will increase the Psomas contract amount to $3,539,000 which is under 10% of the anticipated construction cost. CM services to be approximately 10% of total construction is typical for similar construction projects. Staff believes that the additional requested authorization of $335,000 for CM services will be money well spent.
As of June 30, 2020, approximately $3,190,000 has been spent for Psomas CM services. In order to continue to help Zone 7 with the dispute resolution process to resolve outstanding change-order-requests by Overaa, Inc., it is recommended that the Zone 7 Board appropriate additional funding and authorize the General Manager to negotiate and execute a contract amendment in the amount of $335,000 for the Psomas contract. With this authorization, the contract will have a total amount not-to-exceed $3,539,000.

**FUNDING:**

- This project is funded from Fund 120 – Renewal/Replacement and System-Wide Improvements and the 2018 Series A Water Revenue Bond proceeds.
- An additional appropriation of $335,000 in the FY 2020-21 budget is needed in Fund 120 - Renewal/Replacement and System-Wide Improvements for the construction management services for the DVWTP Ozonation Project.

**RECOMMENDED ACTION:**

Adopt the attached Resolution

**ATTACHMENT:**

Resolution
ZONE 7

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY
SECONDED BY

Contract Amendment for Construction Management Services
for the DVWTP Ozonation Project

WHEREAS, Zone 7 of the Alameda County Flood Control and Water Conservation District’s Capital Improvement Program (CIP) includes the construction of the DVWTP Ozonation Project (Project) in support of Strategic Plan Initiative No. 4 - Implement Ozone; and

WHEREAS, Psomas, was selected through a request-for-proposals (RFP) process to provide biddability and constructability review during the design phase and construction management services during the construction phase of the Project and have performed these services to Zone 7’s satisfaction; and

WHEREAS, with the construction of the project essentially complete, there were challenges and complexities to the project for which there are change-order-requests for additional work effort and extended overhead by the contractor that need to be negotiated and settled; and

WHEREAS, in order to continue to help Zone 7 with negotiation and settlement of outstanding change-order-requests with Overaa, Inc., additional funding in the amount of $335,000 is needed for the Psomas contract; and

WHEREAS, an additional appropriation of $335,000 in the FY 2020-21 budget is needed in Fund 120 Renewal/Replacement and System-Wide Improvements for construction management services of the DVWTP Ozonation Project.

NOW, THEREFORE, BE IT FURTHER RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District hereby authorizes the General Manager to negotiate and execute an amendment to the contract with Psomas, for construction management services in an amount not-to-exceed $335,000, increasing the total contract to a not-to-exceed amount of $3,539,000; and
BE IT FURTHER RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District hereby appropriates an additional $335,000 in the FY 2020-21 budget for construction management services for the DVWTP Ozonation Project in Fund 120 – Renewal/Replacement and System-Wide Improvements.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on July 15, 2020.

By: ___________________________
    President, Board of Directors