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**ADOPT RESOLUTION AUTHORIZING A CONTRACT CHANGE ORDER FOR THE
OUTFALL RELOCATION PROJECT COMPONENT OF THE RWCF MODIFICATIONS
PROJECT, AUTHORIZE THE CITY MANAGER TO APPROVE AND EXECUTE
PAYMENTS FOR DIRECT MITIGATION COST IMPACTS, AND AUTHORIZE THE
CITY MANAGER TO REAPPROPRIATE FUNDS**

..recommended action

RECOMMENDATION

It is recommended that the City Council adopt a resolution to:

1. Approve findings pursuant to Stockton Municipal Code section 3.68.070 in support of an exception to the competitive bidding process.
2. Authorize Contract Change Order (CCO)-008 to Phase 2B of the Progressive Design-Build Contract between the City and AECOM/W.M. Lyles, Joint Venture (JV) to increase the Guaranteed Maximum Price (GMP) in the amount of \$6,770,384.07 for construction of the Outfall Relocation Project component of the Regional Wastewater Control Facility (RWCF) Modifications Project (Exhibit 1 to the Resolution).
3. Incorporate CCO-001 through CCO-008 bringing the total Phase 2B contract amount to \$206,789,950.31.
4. Authorize the City Manager to reappropriate funds in the amount of \$5,185,225 from the existing RWCF New Outfall Project UW20023 to the RWCF Modifications Project UW16022.
5. Authorize the City Manager to execute CCO-008 to Amendment No. 2, Phase 2B, to the Progressive Design-Build Contract.
6. Authorize the City Manager to execute payments not to exceed a total of \$150,000 for the cost of direct mitigation of impacts from the Outfall Relocation Project.

It is further recommended that the City Manager be authorized to take appropriate and necessary actions to carry out the intent of the resolution.

Summary

The Municipal Utilities Department (MUD) RWCF Modifications Project consists of key upgrades to the RWCF to comply with National Pollutant Discharge Elimination System (NPDES) permit-required effluent limits, in addition to replacing equipment and processes that are 40 to 70 years old and beyond their useful life. Upon completion of the Project, the RWCF will be modernized to meet required effluent limits and able to expand to support the community to 2045 and beyond.

The RWCF Modifications Project construction is ongoing. Additional project investigation and engineering design work was completed by the JV in 2021 to determine if a project change was feasible to move the final effluent discharge from the west bank of the San Joaquin River to a rehabilitated east bank outfall structure. The results of this investigation proved the City would gain significant benefits by combining this project with the RWCF Modifications Project where the new outfall would be constructed on the east bank adjacent to the main plant and abandon the existing west bank outfall in place.

The Outfall Relocation Project (Outfall Relocation Project, or “project”) scope in CCO-008 to the RWCF Modifications Project will include the reinstatement of an abandoned 60-inch reinforced concrete pipe that served as the outfall for the City’s treated wastewater effluent before circa 1970. Construction is planned to occur between July 1 and October 31, 2023. Upon successful commissioning and reinstatement of the outfall on the east side of the river, the existing outfall on the west side of the river will no longer be required and will be abandoned in place.

Staff recommend that the Council adopt a resolution to approve findings and authorize CCO-008 to Phase 2B of the Progressive Design-Build Contract between the City and AECOM/W.M. Lyles, JV to increase the GMP in the amount of \$6,770,384.07 for construction of the Outfall Relocation Project component of the RWCF Modifications Project.

DISCUSSION

Background

On November 15, 2016, by Resolution No. 2016-11-15-1503, the Council authorized the City Manager to execute a Progressive Design-Build Contract with the AECOM/W.M. Lyles JV in the amount of \$5,349,000, to perform Phase 1 design services for the RWCF Modifications Project. Three contract change orders were issued for the Phase 1 services, bringing the total contract amount for Phase 1 to \$5,508,113. The Progressive Design-Build Contract was anticipated to be executed in two phases: Phase 1 for the design through 65% complete drawings and Phase 2 for final design and construction.

On March 26, 2019, by Resolution No. 2019-03-26-0802, the Council took action to divide the additional Phase 2 work consistent with available funding into Phases 2A and 2B and authorized the City Manager to execute Contract Amendment No. 1 to the Progressive Design-Build Contract. The Phase 2A services advanced the design to 90% complete drawings. The Phase 2A Contract Amendment No. 1 with the AECOM/W.M. Lyles JV was \$6,026,561.

On July 30, 2019, by Resolution No. 2019-07-30-1403, the Council authorized the City Manager to execute a GMP Contract Amendment No. 2 in the amount of \$186,596,624 to the Progressive Design-Build Contract to complete Phase 2B, which

includes final design, engineering services during construction, construction management and construction for the RWCF Modifications Project.

The City Manager has authorized CCO-001 through CCO-007 to Phase 2B because the total of these change orders was within the City Manager's delegation of authority and appropriate to be approved administratively under Council Resolution 2021-11-02-1502. CCO-001 through CCO-007 total \$13,422,942, bringing the current (without CCO-008) Phase 2B contract price to \$200,019,566.24. Contract Change Orders under the GMP approach are issued only for unforeseen conditions that were not known at the time of GMP development, or changes in the scope of the project requested by the City.

The RWCF currently consists of the main plant on the east side of the San Joaquin River and the tertiary plant on the west bank of the river. RWCF final effluent is discharged through an existing outfall to the San Joaquin River on the west bank using pipe siphons. The MUD previously investigated the benefits of moving the final effluent discharge to the east bank of the San Joaquin River and included the planned project in its Capital Improvement Project Budget. Under the Modifications Project, design and construction included the improvement of facilities to continue discharge of final effluent to the San Joaquin River using the existing outfall on the west bank.

Present Situation

The Modifications Project construction is ongoing. The RWCF is required to be fully compliant with NPDES effluent limits by June 1, 2024. Additional project investigations and initial design work was completed by the JV in 2021 (under CCO-005) to determine if a project change was feasible to include moving the final effluent discharge from the west bank to a reinstated east bank outfall located on the San Joaquin River. The results of this investigation proved the City would gain significant benefits by combining this project with the Modifications Project where the new outfall would be constructed on the east bank adjacent to the main plant and abandon the existing west bank outfall in place.

If approved by Council, the work associated with CCO-008 to the RWCF Modifications Project under the Outfall Relocation Project will include the reinstatement of an abandoned 60-inch reinforced concrete pipe that served as the outfall for the City's treated wastewater effluent before circa 1970. This project will involve installation of a temporary cofferdam during construction on the waterside of the San Joaquin River east levee and the removal of two trees at the site. Construction is planned to occur between July 1 and October 31, 2023. Upon successful commissioning and reinstatement of the outfall on the east side of the river, the existing outfall on the west side of the river will no longer be required and will be abandoned in place.

For the relocation of the outfall to the east bank of the San Joaquin River, the City has applied for the following State and Federal permits and agreements:

- Clean Water Act Section 404 permit from the U.S. Army Corps of Engineers;

- Clean Water Act Section 401 Water Quality Certification from the Central Valley Regional Water Quality Control Board; and
- California Department of Fish and Wildlife Fish and Game Code Section 1602 Lake and Streambed Alteration Agreement.

These permits, if approved, will require the City to purchase mitigation credits to address the taking of riparian and aquatic habitat. Approval of the resolution authorizes the City Manager to execute payments for these credits not to exceed a total of \$150,000 for all credits.

Findings

Stockton Municipal Code section 3.68.070(A)(4) provides an exception to the competitive bidding process in cases where the City Council has approved findings that support and justify the exception. The proposed findings demonstrate the benefits of implementing CCO-008 by incorporating the Outfall Relocation Project into the RWCF Modifications Project contract. The findings are as follows:

1. The RWCF Modifications Project includes the construction of the Final Effluent Pump Station (FEPS) that will be modified with the work associated with CCO-008. The interface between the challenges of the CCO-008 scope of work and the changes to the FEPS could be problematic. The AECOM/W.M. Lyles JV team has proven onsite experience, qualifications, and staff to minimize the complexity of this construction interface that will reduce potential project delays and eliminate additional mobilization costs.
2. The CCO-008 scope of work will eliminate the need to install approximately 2,000 feet of 72-inch pipeline along with other facilities on the westside of the San Joaquin River (that would be later abandoned), resulting in approximately \$1 million in project construction savings.
3. The accelerated construction of the Outfall Relocation Project will provide significant savings and regulatory compliance benefits to the City by consolidating all RWCF effluent disposal operations and maintenance activities to the east side of the San Joaquin River. Early abandonment of the tertiary facilities on the west side of the river will provide reduced power, chemical, operation & maintenance, and staffing costs.
4. Construction schedule acceleration will assure adherence to project deadlines to comply with new effluent limitations specified in the RWCF NPDES permit by June 1, 2024.

Staff recommend that the Council adopt a resolution to approve findings and authorize CCO-008 to Phase 2B of the Progressive Design-Build Contract between

the City and AECOM/W.M. Lyles, JV to increase the GMP in the amount of \$6,770,384.07 for construction of the Outfall Relocation Project component of the RWCF Modifications Project.

Environmental Determination

The Supplemental EIR (SEIR) will be considered by the City Council in a separate action. If the proposed SEIR resolution is approved, then the Environmental Determination is addressed.

FINANCIAL SUMMARY

The project to replace the existing outfall at the RWCF Tertiary Facility was first identified and budgeted in Fiscal Year 2019-20. The available funds will be reappropriated in the current fiscal year from the existing RWCF New Outfall project UW20023 to the RWCF Modification Project UW16022 in the amount of \$5,185,225 for there to be sufficient funds available in the Wastewater CIP Fund, RWCF Modifications Project UW16022. There is no impact to the City's General Fund or any other unrestricted fund as a result of taking the recommended action.