



## City Council Agenda Item

**City Council Meeting Date:** March 5, 2024

**TO:** Dean Albro, City Manager

**FROM:** Brad Wilkie, Utility Director  
b\_wilkie@ci.lompoc.ca.us

**SUBJECT:** Approve Supplemental Appropriations and Purchase Orders, and Receive and File Records of Procurement, for Wastewater, Electric, and Solid Waste Utilities; Adoption of Resolution No. 6638(24)

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### **Recommendation:**

Staff recommends the City Council adopt Resolution No. 6638(24) (Attachment 1) which will:

- 1) Receive and file the staff report as the record of procurement for the prior issuance of Purchase Order (PO) No. P230628 to J R Barto, Heating, Air Conditioning and Sheetmetal, Inc (JR Barto) in the amount of \$232,766 for the HVAC Replacement portion, and prior issuance of Purchase Order No. P230627 to Channel Island Roofing, Inc. in the amount of \$77,895 for the roof replacement portion, of the Lompoc Regional Wastewater Reclamation Plant's (LRWRP) Administrative Building Upgrades Project in accordance with Lompoc Municipal Code Section (LMC) 3.36.040(C);
- 2) Approve supplemental appropriations for the Solid Waste Landfill Stormwater Project (20-LF-1) of \$400,000;
- 3) Approve additional authority under PO No. P230649 for Bosco Constructors for an amount not to exceed \$300,000 for the 20-LF-1 Solid Waste Landfill Stormwater Project;
- 4) Approve the planning, design and consulting services under PO Nos. C210448 and C220411 to Golder Associates USA / WSP USA for a total amount of \$359,274 for the 20-LF-1 Solid Waste Landfill Stormwater Project; and
- 5) Authorize the City Manager to sign an amendment to the professional services agreement with Golder to increase the compensation accordingly, in a form approved by the City Attorney.

**Background:**

The City's Utilities Department has been working on several capital outlay projects during the past fiscal year and fiscal cycles. Following is a brief summary of the projects under discussion:

*LRWRP's Administrative Building Upgrades Project*

This project provided \$320,000 in the Biennial Budget FYs 2021-23 for the replacement of the roof and the heating, air conditioning and ventilation (HVAC) systems of the Administration Building. Work began in April 2023 with the issuance of purchase orders to JR Barto and Channel Island Roofing, Inc. under the LMC Section 3.36.040(C). That section requires a record of the purchase "shall be made setting forth the vendor's name, the amount and type of the contract, the terms of the contract, and the identification of the purchasing file."

*Solid Waste Landfill Stormwater Project (20-LF-1)*

Project 20-LF-1 has had a total of \$7,812,753.81 appropriated since FY 2018-19. The majority of the Project funding was from supplemental appropriations approved at the time the construction contract was approved on March 7, 2023. The contract was issued as a result of a Notice of Violation (NOV) issued on July 6, 2018, by the Regional Water Quality Control Board (RWQCB) addressing stormwater issues at the Landfill. Shortly thereafter, planning and design work commenced to address findings in the NOV. Due to the extended timeframe between the issuance of the NOV and the determination of final estimated costs of the Project, net remaining appropriations approved in FYs 2017-2019 were not carried forward to future budgets.

The rest of this staff report will address the above two projects jointly as Projects or individually as the named Project.

**Discussion:**

All the Projects are included in various Capital Improvement Project documents and all are provided funding in the Biennial Budget FYs 2021-23 or FYs 2023-25 (or supplemental appropriations in the case of the Solid Waste Landfill Stormwater Project). In reviewing the Projects, each requires action by the City Council for a variety of reasons as discussed below:

*LRWRP's Administrative Building Upgrades Project*

This project included two components; the replacement of the HVAC systems and the replacement of portions of the roof (each is considered a project for procurement purposes). Contracts were awarded for each subcomponent of the Project under LMC Section 3.36.040(C) related to emergency purchases. That section was used due to imminent failure of the roof caused by the unprecedented winter storms of 2022-23 and

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non-working HVAC units. The roofing contract was awarded to Channel Island Roofing, Inc. in the amount of \$77,895 “to furnish all labor, equipment, and materials to perform roof work” with an expected completion date of October 31, 2023. The contract was issued under the City’s PO No. P230627 (Attachment 2). The HVAC contract was awarded to JR Barto in the amount of \$232,766 “to provide all material, equipment, and labor to remove and replace HVAC units at Lompoc Wastewater Treatment Plant” with an estimated completion date of October 31, 2023. The contract was issued under the City’s PO No. P230628 (Attachment 3). As of January 31, 2024, the HVAC Project has been completed and the Roofing Project is in its final phase.

#### *Solid Waste Landfill Stormwater Project (20-LF-1)*

While this project has had a total of \$7,812,753.81 appropriated since FY 2018-19, the project has encountered significant challenges and some opportunities since inception that have increased the cost of completing it. The project design had to be reviewed by external agencies throughout the process. Once construction commenced, collaboration between the primary contractor, the design consultant, the construction manager, and City staff identified a number of enhancements to the project design that will enable the finished project to be easier and less costly to maintain and operate. However, these enhancements have created additional construction and design costs above what was originally approved. In addition, the extended term of construction has increased the amount of internal staff costs assigned to the project by the City’s Engineering Division. The external reviews of the planning and design along with the design changes during construction have increased consulting costs. These costs have been partially offset by significant cost savings realized by the City on the construction management contract.

The construction manager and the City engineering staff have evaluated remaining construction tasks necessary to complete the Project. While both are estimating the remaining total contractor costs to complete the project is close to the existing PO authority, there is a potential that the authority limit may be exceeded. To facilitate the timely completion and close out of the Project, additional appropriations are requested in the amount of \$400,000 to provide for potential project costs above the existing approved budget as well as a request to increase the authorization on PO No. P230649 (Attachment 4) by an additional \$300,000 for Bosco Constructors in order to allow a timely completion of the project. In addition, with the near completion of the construction portion of the project, there is a request to approve POs C210448 and C220411 (Attachments 5 and 6) in the total amount of \$400,000 for Golder Associates USA, Inc. This request will provide for completion of professional services for construction drawings and master planning services related to the project from the inception of the project to completion.

#### **Fiscal Impact:**

No General Fund resources have been or will be expended for any of the Projects identified.

The LRWRP's Administrative Building Upgrades Project is budgeted in the Wastewater Fund and is under or at the approved budgeted amount of \$320,000.

The Solid Waste Operating Fund would have an appropriations increase of \$300,000 for the Solid Waste Landfill Stormwater Project. However, the entire project costs are likely to be less than the adjusted appropriations of \$8,212,753.81 due to cost savings on the construction management contract. All costs related to the project incurred after February 18, 2022, are eligible for reimbursement from bond proceeds in accordance with Resolution No. 6491(22).

**Conclusion:**

In order to efficiently close out the Projects, the ministerial action for the LRWRP's Administrative Building Upgrades Project POs will allow City staff to complete the Projects. For the Solid Waste Landfill Stormwater Project, the additional appropriations and purchasing authority will allow for the timely completion and close out of the Project.

Respectfully submitted,

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Brad Wilkie, Utility Director

**APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:**

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Dean Albro, City Manager

- Attachments:
- 1) Resolution No. 6638(24)
  - 2) Purchase Order No. P230627 – Channel Island Roofing
  - 3) Purchase Order No. P230628 – JR Barto
  - 4) Purchase Order No. P230649 – Bosco Constructors
  - 5) Purchase Order No. C210448 – Golder Associates USA
  - 6) Purchase Order No. C220411 – Golder Associates USA