

TO: James L. App, City Manager

FROM: Doug Monn, Public Works Director

SUBJECT: Award Contract to TJ Cross Engineers for Project Management associated with the construction of a Six Million Gallon per day Water Treatment Facility

DATE: April 3, 2007

NEEDS: For the City Council to consider appropriating funding and authorize preparation of a contract for Project Management Services associated with the design of a water treatment facility.

- FACTS:**
1. The City will take delivery of water from Nacimiento Lake in June of 2010.
 2. To facilitate the use of water, the City will need to design and construct a six million gallon per day treatment facility at its Thunderbird well field.
 3. The project is estimated to cost approximately seventeen million dollars (\$17,000,000).
 4. To accomplish the design and construction of the treatment facility within the eighteen (18) month design period, staff has requested a proposal from TJ Cross Engineering to provide Project Management of the design process.
 5. Christine Halley will be the Project Engineer assigned to work with the City to ensure the final design provides the required filtration and blending required to integrate the Nacimiento water into the City's distribution system in a manner the will be compatible with the City's other water resources.
 6. TJ Cross (Christine) has been providing project services to the County of San Luis Obispo in the development of the Nacimiento pipeline since its inception. Additionally, Christine (TJ Cross) has provided the City with contract engineering services on several City projects, most recently the authoring the City's Integrated Water Resources Plan. Because of its understanding of the City's needs, systems and familiarity with the Nacimiento pipeline project, it would appear to be most cost effective to retain TJ Cross Engineers to provide project management for this project.
 7. TJ Cross has provided the City with a cost of \$86,000.00 to supply the necessary services.
 9. Staff is requesting an allocation of \$96,000.00 to cover the cost of TJ Cross' services. The requested amount includes a \$10,000.00 contingency to offset the cost of possible unforeseen conditions resulting from potential coordination, treatment issues associated with the construction of the plant and the pipeline project.

**ANALYSIS &
CONCLUSION:**

The Nacimiento Water Project will be an important asset to the City. The continued growth and economic vitality of the City and its inhabitants is predicated upon there being adequate water resources. To ensure deliverability of the resource at the lowest cost construction of properly functioning and easily maintained treatment facility will be essential.

Therefore, it would appear to be in the best interest of the City of Paso Robles and its water users to retain the service of TJ Cross Engineers to provide a Project Management Service associated with the design of the City's treatment plant.

**FISCAL
IMPACT:**

TJ Cross Engineers proposes to provide Project management Services for a cost not to exceed \$86,000.00. Because of the scope of the Nacimiento Pipeline Project and the possibility of potential changes that could result in possible design amendments during the eighteen month design schedule staff suggests a \$10,000.00 contingency be included should additional hours be required. The cost for this service would be paid from the Nacimiento Water Treatment Impact Fee Fund.

Through February 28, 2007, the City has collected a total of \$5,337,000 from the following sources for the Nacimiento Water Project:

Nacimiento Water Development Fee Fund	\$3,042,000
Nacimiento Water User Fee Fund (pipeline project only)	1,696,000
Nacimiento Water Treatment Development Fee Fund	599,000

It was the original plan to construct the treatment facility on a cash basis using funds accumulated from all three sources (user fees would only be used until such time as the project is placed into use and ongoing debt and operational costs are being incurred). However, the cost of the project has risen from \$10 million to \$17 million; impact fees are being collected at a much slower pace given the slowdown in development activity; and the completion of the Nacimiento Water project is moving forward faster than originally projected. It is a likely possibility that long-term financing in the form of water revenue bonds may be required to complete full funding the Nacimiento Water Treatment Project.

Staff will be presenting in the near future a complete financing plan for the Nacimiento Water Project. The financing plan will include an update to funding requirements for the pipeline portion of the project as well as the operational cost of the treatment plan including potential debt service needs. Neither the operational cost nor any debt service was included in the original user fees adopted by Council for Nacimiento Water.

OPTIONS:

- a. Adopt Resolution No. 07-xx appropriating \$96,000.00 from Water Operation Funds to Budget No. 229-910-5452-544 and authorize the City Manager to enter into a contract with TJ Cross Engineering in the amount of \$86,000.00 to provide Project Management Services associated with the design of the six million gallon per day treatment facility.
- b. Amend, modify, or reject the above option.

Attachments (2)

- 1) Scope of Work
- 2) Resolution

RESOLUTION NO. 07-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
APPROPRIATING FUNDS AND AWARDED A CONTRACT TO TJ CROSS ENGINEERING
FOR PROJECT MANAGEMENT SERVICES ASSOCIATED WITH THE DESIGN OF A WATER
TREATMENT PLANT

WHEREAS, the City of Paso Robles is a partner in securing water from Lake Nacimiento; and

WHEREAS, in order to integrate Nacimiento Water into the City's distribution system will require the construction of a six million gallon per day treatment; and

WHEREAS, the construction of the treatment facility must be completed by 2010 to accommodate the acceptance of the Nacimiento Water; and

WHEREAS, the design process will require a Project Manager to ensure its functionality and completion by the required date, and;

WHEREAS, because of their understanding of the purpose of the treatment plant, in-depth knowledge of Nacimiento Pipeline Project and the needs of the City, it would appear to be in the best interest of the City of Paso Robles and its water users to retain the service of TJ Cross Engineers to provide Project Management Services for the design of the treatment facility at a cost not to exceed. \$86,000.00 with a contingency of \$10,000.00 for unforeseen design amendments.

THEREFORE, BE IT RESOLVED AS FOLLOWS:

SECTION 1. The City Council of the City of Paso Robles does approve a one time supplemental budget appropriation from the Water Operations Fund in the amount of \$96,000 to budget account 229-910-5452-544; and

SECTION 2. The City Council does hereby award a contract TJ Cross Engineers for Project Management Services associated with the design of the treatment facility in the amount of \$86,000.00, and authorizes the City Manager to execute the contract.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 3rd day of April 2007 by the following votes:

AYES:

NOES:

ABSTAIN:

ABSENT:

Frank R. Mecham, Mayor

ATTEST:

Deborah D. Robinson, Deputy City Clerk