



STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of March 10, 2020

TO: The Mayor and Members of the City Council

SUBMITTED BY: Michael Roberts, Public Works Director/City Engineer

SUBJECT: Fiscal Agreement Amendment for the Pinole-Hercules Wastewater Treatment Plant Upgrade Project

RECOMMENDED ACTION:

Adopt a resolution approving an amended Fiscal Agreement for the Pinole-Hercules Wastewater Treatment Plant Upgrade Project.

FISCAL IMPACT OF RECOMMENDATION:

There is sufficient funding in the Sewer Fund to cover the cost of the amendment.

DISCUSSION:

The Cities of Pinole and Hercules previously entered into a Fiscal Agreement in February 2015 for the much-needed Pinole-Hercules Wastewater Treatment Plant Upgrade Project. The Fiscal Agreement ensures there is sufficient cash flow for the shared cost of the Project given the construction schedule and terms of the State Revolving Fund Loan each City received from the State.

The Project was awarded to Kiewit Infrastructure West who started work in May 2016 and achieved substantial completion October 2019. The Project faced many challenges throughout the duration of construction that resulted in change orders which have expended the available contingency programmed in the Fiscal Agreement. The Wastewater Subcommittee has been kept informed of the declining contingency balance. At the last meeting of the Subcommittee on September 5, 2019, the balance was projected into the negative.

Carollo Engineers is currently working to finalize the costs associated with the last of the change orders. It is necessary to increase the programmed contingency in the Fiscal Agreement to address these last change orders as well as work toward resolving several claims and potential claims.

The amendment is necessary to provide funding to complete the project, prepare a proposed final pay estimate, and file a notice of completion. Without it, the City will not be able to compensate Kiewit for agreed upon extra work and work to resolve the claims and potential claims.

ATTACHMENTS:

1. Resolution
2. Amended Fiscal Agreement

<i>Financial Impact</i>			
Description:			
Funding Source:			
Budget Recap:			
Total Estimated cost:	\$	New Revenue:	\$
Amount Budgeted:	\$	Lost Revenue:	\$
New funding required:	\$	New Personnel:	\$
Council Policy Change: Yes <input type="checkbox"/> No <input type="checkbox"/>			