



CITY COUNCIL STAFF REPORT

ITEM NO. 5.3

DATE: April 14, 2025

TO: Honorable Mayor and City Council

FROM: Brent Smith, Community Development Director

SUBJECT: Resolution authorizing the acceptance for permanent maintenance, release of the security bonds, and execution of a Notice of Completion for the Primary and Secondary Treatment Improvements Project Number 2019-31.

RECOMMENDED ACTION

Staff recommends the City Council adopt a resolution authorizing the acceptance for permanent maintenance, release of the security bonds, and authorizing the City Manager to sign the Notice of Completion for the Primary and Secondary Treatment Improvements Project Number 2019-31.

SUMMARY

On July 25, 2022, the City Council awarded the contract for construction of the Primary and Secondary Treatment Improvements Project to C. Overaa & Co. The contract was substantially completed on December 11, 2024. The contract can now be accepted for permanent maintenance. The process to release the contractor's bonds can begin.

DISCUSSION

The Primary and Secondary Treatment Improvements Project consisted primarily of rehabilitation and process improvements to the primary and secondary treatment processes at the City's Water Reclamation Plant (WRP). Construction activities included demolition, concrete, structural, electrical, and mechanical work at the headworks, influent pump station, odor control treatment system, motor control centers, pre-aeration tanks, primary sedimentation tanks, primary effluent pump station, and a secondary clarifier. The project site is inside the Water Reclamation Plant on West Jack London Blvd. as shown on Attachment 1 – Project Location. The project was completed in accordance with the contract documents in a manner acceptable to the City Engineer.

At the time of award, the contractor provided a faithful performance bond guaranteeing completion of the project, and that bond must now be released. Six months after the date of the resolution accepting the project, the labor and materials bond guaranteeing the improvements should be reduced to an amount equal to any claims filed and of which notice has been given. The balance of the bond will be released

upon the settlement of all claims and obligations for which the security was given (there are no known claims at this time). The security for the guarantee and warranty of work shall remain in effect for one year from the date of the resolution.

FISCAL AND ADMINISTRATIVE IMPACTS

The original construction contract amount was \$21,999,000. The contingency budget for change orders is 10 percent of the original construction contract amount. The final contract amount including change orders is \$23,177,442, which is 5.4 percent above the original contract amount based 68 change orders. The total value of change orders is \$1,178,442, which consisted primarily of the following:

- Upgraded products, including electrical components, variable frequency drives, transformers, and slide gates,
- Installation of future electric vehicle charging station infrastructure,
- Differing site conditions, including asbestos abatement, utility conflicts, unforeseen soil conditions, replacement of existing foul air supports to meet current seismic standards, and demolition and replacement of the Primary Effluent Pump Station (PEPs) discharge pipeline, which was found to be critically degraded during temporary bypass and in need of replacement, and
- Required relocation and modification to the Clarifier No. 2 access stairway.

The final bid quantities were as anticipated.

Annual operations and maintenance costs for new equipment are estimated at \$22,000 per year. Operations and maintenance costs will be funded from the operating budget with Sewer Operating Fund 620.

COMMUNITY PILLAR

1: A Safe Community That Thrives.

GOAL

11: Operate and maintain municipal water systems that provide safe, efficient delivery of potable and recycled water, collect and treat wastewater, and comply with all federal, state, and local regulations.

ATTACHMENTS

- [1. Location Map](#)
- [2. Resolution](#)
- [3. Exhibit A - Notice of Completion](#)

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Approved by:



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Fiscal Review by:



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