



## Legislation Text

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### **Murphree Water Treatment Plant Electrical Upgrade (B)**

On March 2, 2017, staff obtained City Commission approval to execute a contract with Ortega Industrial Contractors, Inc. in the amount of \$7,937,885 for the construction of the Murphree Water Treatment Plant Electrical System Upgrade. As a reminder, the upgrade includes a new building with associated electrical equipment to power and control the existing plant processes.

Currently the project has incurred additional costs due to several equipment issues and unforeseen conditions that have increased the project cost nearly 8%. One driver of the increased costs is the need to replace the transfer pump system, one of the most critical systems in the treatment process, rather than reuse it as previously planned. Another cost driver was design changes needed after the construction had begun. These changes were implemented based on lessons learned during Hurricane Irma and affected the elevation of the new security building to prevent flooding, as well as replacement of the underground electrical circuits to Murphree WTP to improve electric feed reliability in the future.

The installation of the new electrical building and equipment is nearing completion and is expected to be energized in May. Starting in June and through most of the summer all of the existing treatment plant equipment will be systematically transferred to the new electrical building. This is the highest risk portion of the project and will be occurring during hurricane season. As GRU's procurement policies require staff to get City Commission approval for adjustments to previously approved contracts if the adjustment increases the cost by more than 10%, staff is requesting approval to adjust the purchase order by an additional 10% to account for unforeseen conditions during the most critical phase of the work. While staff does not expect to incur significant additional costs on the contract, we want to be prepared to respond and react quickly to issues that arise during the critical final stages of this project.

This item was presented to the UAB on April 11, 2019.

The construction contract was awarded for \$7,937,885. The project is nearing 8% in additional costs as we move into the final portions of the project. The additional funds needed have been reallocated from other projects and does not require modifications to the approved budget.

Staff recommends that the City Commission approve the issuance of purchase orders to Ortega Industrial Contractors, Inc. for an additional 10% above the current amount.

On 4/11/19, the UAB voted 7-0 to advise the City Commission to approve the staff recommendation.