



DRAFT

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: December 6, 2022

TO: Mayor and Councilmembers

FROM: Engineering Division, Public Works Department

SUBJECT: Third Contract Amendment with Carollo Engineers, Inc. for Owner's Representative Services and Contract Administration Support for Operating the Charles E. Meyer Desalination Plant [Agreement]

RECOMMENDATION:

That Council authorize the Public Works Director to execute the Third Contract Amendment to the City Professional Services Agreement No. 25,222 with Carollo Engineers, Inc. in the amount of \$247,278 to provide continued owner's representative services and contract administration support for operating the Charles E. Meyer Desalination Plant.

DISCUSSION:

Background

In 2015, the City Council voted unanimously to reactivate the Charles E. Meyer Desalination Plant (Plant). Construction began in September 2015, and the Plant began operation in May 2017. All major construction work was completed in 2019, and the project entered the operations phase on March 5, 2019. The Plant was reactivated under a Design, Build, Operate (DBO) contract with IDE Americas, who has been operating it. The Plant plays a critical role in the City's diverse water supply portfolio, providing 30 percent of the City's drinking water from a reliable local supply.

Carollo Engineers, Inc. (Carollo) was selected through a Request for Proposal process to support the City's effort to reactivate the Plant, including assistance through the planning and design. Carollo's expertise in the field of seawater desalination and familiarity with the contract made them an ideal candidate for support during operations.

Current Status

Administration of the DBO contract in the operations phase requires significant technical support. Carollo has provided this technical support to the City since the beginning of the operations phase, which has included tracking performance guarantees, reviewing and supporting response for relief claims, and reviewing claims of extraordinary items. In

addition, support has included review of adjustments to the base operating charge along with support in preparing contract administration memoranda that included calculating index-linked annual adjustments, guaranteed maximum annual energy and chemical costs adjustments, and other adjustments to the contract's terms and conditions. Finally, Carollo's support has included the preparation of annual statements in accordance with the contract terms and conditions, along with attendance at virtual meetings upon request.

The purpose of this recommended Contract Amendment is to extend Carollo's support through the end of the initial term of the DBO contract's five-year operational services phase, which is scheduled to end in March 2024. Carollo's support services will extend through December 2024 because annual settlement statements, along with other contract administration services, may require extended negotiation and continued support to finalize.

A copy of the Contract Amendment may be requested from the Public Works Department for public review by contacting PWInfo@SantaBarbaraCA.gov.

BUDGET/FINANCIAL INFORMATION:

Funding

The following summarizes the expenditures recommended in this report:

PROFESSIONAL SERVICES CONTRACT FUNDING SUMMARY

	Base Contract	Change Order	Total
Current Contract Amount	\$2,032,622	\$1,535,153	\$3,567,775
Proposed Increase	\$0	\$247,278	\$247,278
Total	\$2,032,622	\$1,782,431	\$3,815,053

With approval of the recommended Contract Amendment, the total professional services contract expenditure authority will be increased to \$3,815,053.

There are sufficient appropriated funds in the Water Fund to cover the cost of the Contract Amendment.

ENVIRONMENTAL REVIEW:

Amending current contracts does not require California Environmental Quality Act review.

WATER COMMISSION:

This item was presented to the Water Commission at its meeting on November 17, 2022, and the Commission voted **X-X** in support of staff's recommendations.

PREPARED BY: Ashleigh A. Shue, P.E., Principal Civil Engineer/PM/rl

SUBMITTED BY: Clifford M. Maurer, P.E., Public Works Director

APPROVED BY: City Administrator's Office