



STAFF REPORT

DATE: 08/06/2025

TO: Honorable Mayor and City Council Members
Honorable President and Board Members

FROM: Public Works Department & Utilities Department

2025-313

REQUEST FOR CITY COUNCIL AND CORONA UTILITY AUTHORITY ACTION

SUBJECT:

AUTHORIZE CONTRACT CHANGE ORDER NO. 2 WITH R C FOSTER CORPORATION IN THE AMOUNT OF \$176,972 FOR THE LESTER POST DISINFECTION STATION PROJECT, PROJECT NO. UT-2013-02

EXECUTIVE SUMMARY:

This staff report requests that the City Council authorize Contract Change Order No. 2 for \$176,972 to RC Foster Corporation for demobilization, rental, and equipment standby costs, and future remobilization due to the postponement of the scheduled winter shutdown of Lester Water Treatment Plant in January 2025.

RECOMMENDED ACTION:

That the City Council:

- a. Authorize the City Manager, or his designee, to issue a Contract Change Order in the amount of \$176,972 to RC Foster Corporation due to the postponement of the scheduled winter shutdown of Lester Water Treatment Plant in January 2025.
- b. Authorize the City Manager, or his designee, to execute a Contract Change Order with RC Foster Corporation to increase the contract amount by \$176,972,

amending the total contract amount to \$2,040,719 including any non-substantive extensions, change orders, purchase orders, and amendments up to \$204,072, which is equivalent to 10% of the revised contract amount.

That the Corona Utility Authority review, ratify, and to the extent necessary, direct the City Council to take the above actions.

BACKGROUND & HISTORY:

The Lester Water Treatment Plant at 2970 Rimpau Avenue is a direct-filtration water treatment plant capable of treating up to 30 million gallons per day (MGD) of raw Metropolitan Water District (MWD) water. Untreated imported water flows through six dual-media filters. Filtered and treated MWD water leaves these filters and manifolds and goes into a 42" steel combined filter effluent pipe through different laterals, only one of which contains injection quills for disinfection.

This project will construct one post-disinfection chlorine injection vault downstream from all six filters so disinfection can occur for the entire plant at one location. This will greatly simplify the operation and reduce the risk of water leaving the plant without a proper chlorine residual. By completing this project, removing the filters for maintenance will no longer require a total plant shutdown, which would temporarily remove a critical 30-MGD component of the City's water supply.

This project was originally advertised for construction bid in May 2022 to the Utilities Department's Pre-Qualified Contractors list. At that time, the City received only one (1) bid from Pacific Hydrotech Corporation for \$1,929,000. The engineer's estimate provided at the time was \$500,000. Due to inflation and uncertainty causing a volatile bidding climate and having received only one bid, the City placed the project on hold to allow construction costs to stabilize.

In March 2024, the project was readvertised for construction. The City awarded the Construction Contract to RC Foster Corporation on June 5, 2024, in the amount of \$1,849,500

In accordance with the project specifications and the Notice to Proceed issued in July 2024, the project was required to be completed during the scheduled winter shutdown of Lester Water Treatment Plan around January 2025. The exact dates of the shutdown would be coordinated with the Operations team of the Utilities Department.

On October 18, 2024, Contract Change Order No. 1 was approved in the amount of \$14,247 for additional electrical work consisting of conduit installation, trenching and backfilling work, and extension of wall sleeves for the proposed mixer vault. This change order was covered under alternative Bid Item A1 – Allowance for Field Orders.

In February 2025, the Utilities Department informed RC Foster Corporation that the winter shutdown had been postponed due to increased water demands caused by dry weather conditions and regional responses to the January 2025 Los Angeles County fires. On

April 10, 2025, RC Foster submitted Contract Change Order No. 2 for the costs incurred by the project delay due to the winter shutdown postponement.

ANALYSIS:

The change order in the amount of \$176,972 is being requested to cover the costs of site demobilization, rental fees, and idle equipment on standby, extension of builders' risk insurance, labor prevailing wage increases, and future remobilization. These costs were incurred by the postponement of the winter shutdown for the Lester Water Treatment Plant. The postponement was decided by the Utilities Department in reaction to high water demand caused by dry weather conditions and a regional response to preserve emergency water supplies due to the Los Angeles County fires in January 2025.

City staff negotiated the total change order amount down from the original request of \$206,812.86. This was due to a reduction in RC Foster's project overhead recovery expense of 75% to 46% of the total project overhead. The reduced percentage is a more accurate representation of the remaining project overhead, as RC Foster has invoiced 54% of the project budget to date.

In comparison, the cost to enter a new contract to complete the remaining work on the project would be at least \$1,899,000 based on the next lowest bid in 2024 and does not include any inflation adjustment for 2025, 10% contingency, or construction support. Additional time and administrative costs would also be required to secure a new contractor.

RC Foster Corporation has maintained a good faith relationship with the Utilities Department and has been a reliable contractor on past and current projects, including Mangular Blending Facility, Well 17A Emergency Generator, and Well 14 Rehabilitation and Equipping. Retaining RC Foster Corporation would constitute a continuation of the contractor's familiarity with the project scope of work and site conditions. This results in time savings towards an earlier project completion compared to bringing a new contractor up to speed.

Construction is tentatively scheduled to resume in early 2026 for the next winter shutdown, with completion anticipated in the spring of 2026.

FINANCIAL IMPACT:

Funding for the recommended actions is available in the Lester Post Disinfection Station Capital Improvement Project No. UT-2013-02, within the Water Utility Fund 570.

The revised construction cost for this project is outlined as follows:

Construction			
.....			
\$1,849,500			
Change	Order	No.	1
.....			
			\$14,247

Change	Order	No.	2
			\$176,972
Total Construction Costs Up to Change Order No. 2			
\$2,040,719			
Amended Construction Contract			
\$2,040,719			
City	Construction	Support	(15%)
		\$306,108	
Contingency			(10%)
			\$204,072
Adjusted Total Construction Cost			
\$2,550,899			

ENVIRONMENTAL ANALYSIS:

This project is categorically exempt pursuant to Section 15301(d) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt if the project involves negligible or no expansion of use to the existing facility. This project is relocating the disinfection point along an existing 30" effluent line, with no increase in capacity. A Notice of Exemption has been filed with the County of Riverside.

PREPARED BY: MICHAEL MOJICA, ASSOCIATE ENGINEER

REVIEWED BY: SAVAT KHAMPHOU, PUBLIC WORKS DIRECTOR & TOM MOODY,
DIRECTOR OF UTILITIES

ATTACHMENTS:

1. Exhibit 1 – Location Map
2. Exhibit 2 – Change Order No. 2