



**PUBLIC SERVICE BOARD MEETING
AGENDA ITEM
REGULAR MEETING**

Wednesday, August 13, 2025

SUBJECT

Change Order No. 4 – Construction Manager At-Risk (CMAR) Services for Roberto R. Bustamante Wastewater Treatment Plant Digesters 1, 2, and 3 Covers and Mixers Rehabilitation

BACKGROUND

The Roberto R. Bustamante Wastewater Treatment Plant (Bustamante Plant) has three anaerobic digesters, originally constructed in the early 1990s, that are currently undergoing rehabilitation. The project is being executed using the Construction Manager At-Risk (CMAR) delivery method, with rehabilitation occurring one digester at a time.

In September 2022, the Public Service Board approved a construction contract with MGC Construction Inc. (MGC) and accepted Guaranteed Maximum Price Number 1 (GMP1) to rehabilitate Digester No. 3. The scope of work includes the replacement of the digester cover and mechanical mixing system.

During pressure testing of the new floating cover, it was determined that the ballast block weights were insufficient to maintain the desired operating pressure range of 9 to 16 inches water column. This pressure range was not clearly specified in the technical specifications of the contract documents. This pressure range is critical for the safe and efficient operation of the digester, as it ensures proper gas containment and system stability during anaerobic digestion.

This change order proposes modifications to the ballast blocks and digester cover supports to achieve the desired pressure performance. Additionally, this work will result in an extension of 391 calendar days to the construction schedule to cover the days of project delay and allow for completion of the necessary modifications.

PRIOR PSB ACTION

- On September 14, 2022, the Public Service Board approved construction contract with MGC, accepting GMP 1.
- On February 8, 2023, the Public Service Board approved Change Order 1 in the amount of \$538,281 for sludge removal and time extension of 14 days.
- On June 12, 2024, the Public Service Board approved Change Order 2 in the amount of \$951,589 additional pipe gallery work and time extension of 152 days.
- On November 13, 2024, the Public Service Board approved GMP 2 in the amount of \$15,801,438 for the rehabilitation of Digester 1.

UTILITY KPI ALIGNMENT

Infrastructure Performance

EVALUATION PROCESS

MGC initially submitted a fee proposal of \$1,057,537 to perform the additional work and formally requested a change order. EPWater staff thoroughly reviewed the proposed scope and level of effort required and engaged in negotiations with MGC to refine the cost. As a result, MGC submitted a revised fee proposal in the amount of \$857,325.

The updated cost has been evaluated against current industry standards and is considered reasonable and appropriate. Staff recommends approval of the revised proposal. If approved, this change order will represent an 8% total increase for all change orders over the original contract amount.

FINANCIAL IMPLICATIONS

Sufficient funds are available in various accounts. This expenditure is part of the FY24-25 CIP budget.

PROPOSED ACTION REQUESTED

Consider and approve Change Order Number 4 for Construction Manager At-Risk construction contract for the Roberto R. Bustamante Wastewater Treatment Plant Digesters 1, 2, and 3 Covers and Mixers Rehabilitation project with MGC Contractors, Inc. for additional work, increasing the Guaranteed Maximum Price 1 (GMP1) amount by \$857,325 and extending the contract duration by 391 calendar days.

SUPPORTING DOCUMENTATION PROVIDED

- None