



Design Review Committee Briefing #34

Subject: Phase II Upgrades Financial Updates

Date: August 19, 2020

The Issue

The intent of this Design Review Committee (DRC) briefing is to provide an update on the current financials for the Phase II Upgrades at the Nampa WWTP. As previously discussed with the DRC, the Phase II Upgrades are being executed through four distinct projects, known as Project Groups D, E, F, and G. The projects are at different stages of execution and cost certainty.

Background and Analysis

The following sections present the current financial status for each project group. A summary of the Phase II Upgrades is presented at the end of this section.

Project Group D

Project Group D is currently under construction. Design for the project was completed in late 2019 and the project was competitively bid in early 2020. The following figures provide an overall snapshot of the Project Group D financials including contract summaries and projected spends.

Financial Overview					
Phase	Baseline Budget	Contracted	Remaining	Spent	Potential Change Orders
CM	\$684,882	\$684,787		\$95	\$74,953
CONSTRUCTION	\$8,077,156	\$6,435,277	\$1,641,879	\$573,514	\$185,213
DESIGN	\$984,518	\$608,310	\$376,208	\$608,310	\$0
DESIGN MGMT	\$55,647	\$12,395	\$43,252	\$27,431	\$0
SDCs	\$599,272	\$415,370	\$183,902	\$148,882	
SIS	\$393,978	\$227,715	\$166,263	\$49,968	\$0
UNALLOCATED	\$1,600,588	\$0	\$1,600,588	\$0	\$0
Total	\$12,396,041	\$8,383,854	\$4,012,187	\$1,483,058	\$185,213

Figure 1 - Project Group D Contract Summaries

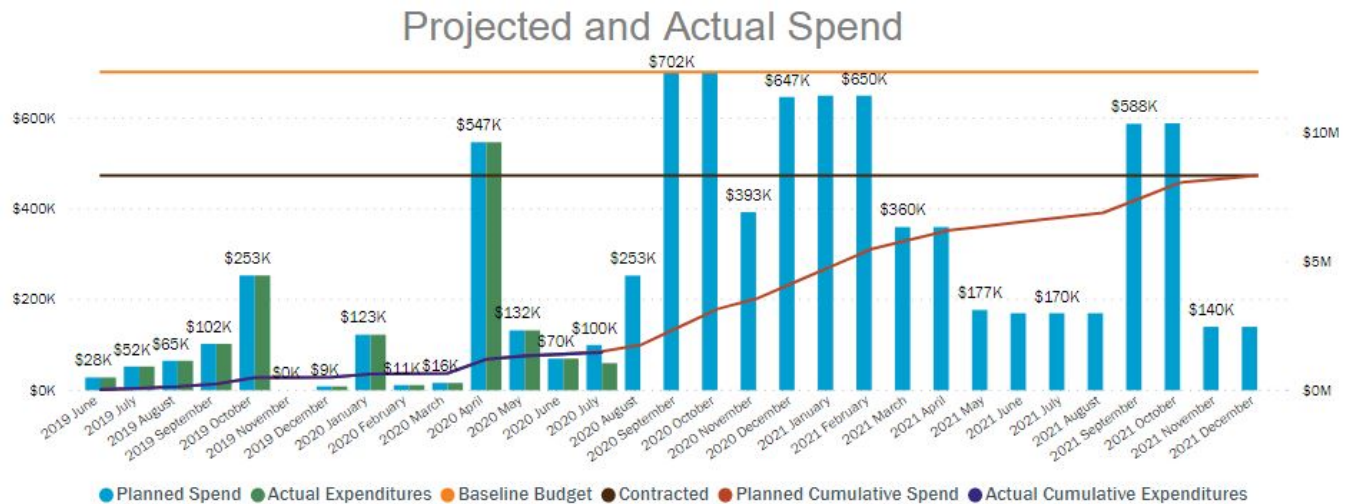


Figure 2 - Project Group D Project and Actual Spend

Project Group E

Project Group E is currently under construction. Design for the project was completed in early 2020 and the project was competitively bid in April 2020. The following figures provide an overall snapshot of the Project Group E financials including contract summaries and projected spends.

Financial Overview

Phase	Baseline Budget	Contracted	Remaining	Spent	Potential Change Orders
CONSTRUCTION	\$2,221,658	\$1,963,577	\$245,586	\$217,524	\$12,495
DESIGN	\$270,796	\$207,233	\$63,563	\$206,629	\$0
DESIGN MGMT	\$15,306	\$41,754	(\$37,327)	\$52,633	\$0
CM	\$188,282	\$188,282	\$0	\$39,429	\$0
SDCs	\$164,832	\$69,069	\$95,763	\$24,905	\$0
Facility Dept Commissioning	\$0	\$100,000	(\$100,000)	\$0	\$0
Office Furnishings	\$0	\$135,000	(\$135,000)	\$0	\$0
Unallocated	\$578,686	\$0	\$578,686	\$0	\$0
Total	\$3,439,561	\$2,704,915	\$711,272	\$541,120	\$12,495

Figure 3 - Project Group E Contract Summaries

Projected and Actual Spend

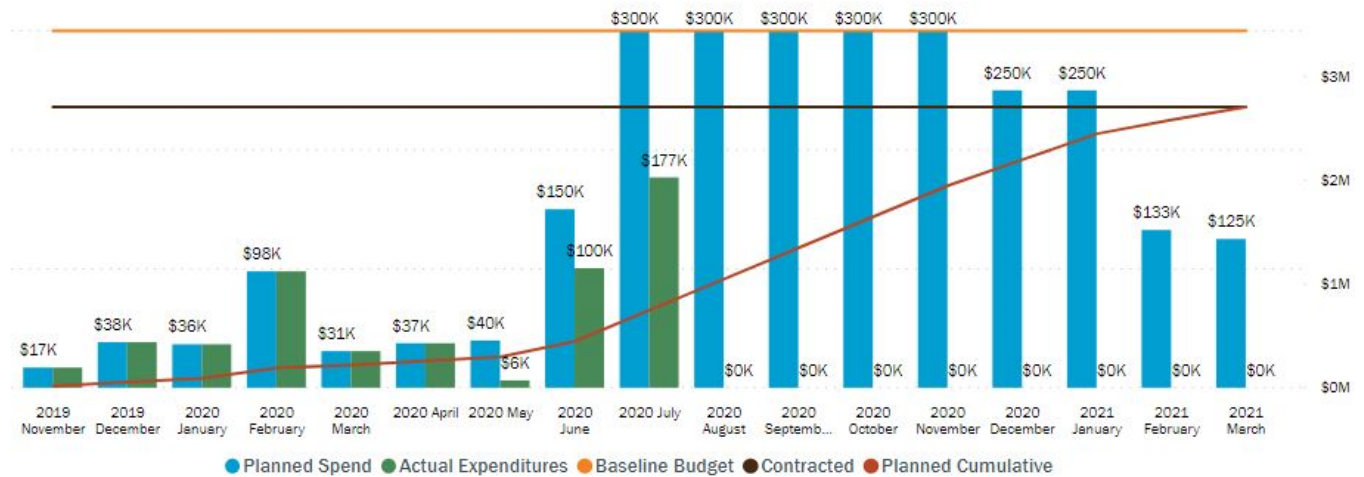


Figure 4 - Project Group E Projected and Actual Spend

Project Group F

The DRC recommended Project Group F be completed as a progressive design-build project in 2019. The City has spent the latest year working on the procurement of the design-build team for this project. This effort culminated with the City Council’s approval of the selected design-builder at the August 3, 2020 City Council meeting. The notice to proceed for the project was issued on August 12, 2020 and project kickoff for is currently planned for September 15, 2020. The following figures provide an overall snapshot of the Project Group E financials including contract summaries and projected spends. This information will be updated as the design-builder builds their cost model and begins the design process.

Phase	Baseline Budget	Contracted	Projected Contracts	Remaining	Spent
DESIGN BUILDER	\$134,741,857	\$11,291,143	\$144,100,000	(\$20,649,286)	\$0
OA SERVICES	\$9,923,517	\$1,296,488	\$7,500,000	\$1,127,029	\$0
Total	\$144,665,374	\$12,587,631	\$151,600,000	(\$19,522,257)	\$0

Figure 5 - Project Group F Contract Summaries

Project Group G

Project Group G, which is comprised of rehabilitation projects, is being delayed until there is a higher degree of cost certainty on Project Group F. The preliminary design of this project has not yet begun. Funding is still being allocated for its completion at the end of the Phase II Upgrades.

Programmatic Contingency

The programmatic contingency values presented in the overall Phase II Upgrades costs have not been updated since the completion of the Facility Plan. DRC Briefing #35 describes proposed updates to these values based on current information. This will be incorporated into future updates based on the discussion with the DRC.

Phase II Upgrades Financial Update

Figure 6 shows the overall financial summary for the Phase II Upgrades. The City has currently contracted \$29.3M of the projected \$189.9M costs. Future contracts are expected for the construction phase of Project Group F and for the completion of Project Group G. Details on the overall summary are presented in the following section.

Project	Baseline Budget	Current Contracted	Projected Contracts	Potential Savings	Spent
Project Group G	\$5,018,323	\$0	\$5,018,323	\$0	\$0
Project Group F	\$144,665,374	\$12,587,631	\$151,600,000	(\$19,522,257)	\$0
Project Group E	\$3,439,561	\$2,704,915	\$12,495	\$722,151	\$541,120
Project Group D	\$12,396,041	\$8,383,854	\$171,823	\$3,840,364	\$1,483,058
Pre-Design	\$5,119,154	\$4,803,503	\$0	\$315,651	\$4,361,017
Idaho Power Asset Purchase	\$0	\$821,253	\$0	(\$821,253)	\$0
Contingency	\$19,285,511	\$0	\$19,285,511	\$0	\$0
Total	\$189,923,962	\$29,301,156	\$176,088,151	(\$15,465,344)	\$6,385,194

Figure 6 - Phase II Upgrades Financial Summary

Potential Consequences

There are several considerations in regard to the Phase II Upgrades current financial status worth highlighting for the DRC's awareness.

- Moving Scope from Project Group D to Project Group F:** The original budget for Project Group D (\$12.4M) included all upgrades to the Nampa WWTP's digestion system including the construction of Primary Digester #5 and the replacement of the secondary digesters with sludge holding tanks. The latter portion of this was moved to Project Group F after the development of the baseline cost estimates. Therefore, Project Group D shows potential cost savings, but these savings are costs that have been moved to Project Group F and are a portion of the overall increase for that project.
- Idaho Power Asset Purchase:** The DRC recommended pursuing the purchase of the primary power infrastructure at DRC Meeting #9 (June 29, 2019). This recommendation increased the overall scope and cost of the project but provides long-term cost savings to the City. Since this decision the City has negotiated to purchase price (approximately \$821K) for these assets with Idaho Power. These costs are included in the overall costs for the Phase II Upgrades.

- **Project Group F Cost Estimate:** The cost estimate for Project Group F increased by approximately 14 percent over the baseline effort based on the indicative design completed to support the design-build procurement process. This increase is within the accuracy range (-30 percent to +50 percent) of the baseline estimate, which is described in DRC Briefing #8. The technical analysis and design efforts associated with this project during preliminary design were substantially scaled back with the decision to use the progressive design-build delivery model. This approach allows room for more flexibility, innovation, and value engineering by the design-builder. Early efforts with the design-builder will focus on refining project scope to match the baseline budget.
- **Programmatic Contingency:** The programmatic contingency values presented in the overall Phase II Upgrades costs have not been updated since the completion of the Facility Plan. These values are expected to decrease going forward as risks are mitigated through decisions and actions. DRC Briefing #35 presents more information on this topic.

Recommendation

This DRC briefing is intended to be informational to the Committee.