



Design Review Committee Briefing #39

Subject: Project Group F Update

Date: December 15, 2020

The Issue

Project Group F: Nampa Wastewater Treatment Plant Progressive Design-Build Project, the largest project group in the Nampa Wastewater Treatment Plant (WWTP) Phase II Upgrades, is currently proceeding with phase 1 services. The following briefing provides an overall update of Project Group F, including financials and design workshop progress, for the Design Review Committee (DRC).

Background and Analysis

The DRC recommended Project Group F be completed as a progressive design-build project in 2019. The City has spent the last year working on procuring Jacobs (CH2M) as 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 occurred in September 2020.

Jacobs has conducted 12 of 13 scheduled technical workshops with the City as part of the recommended project concept development. Workshops are conducted to garner feedback on proposed technical designs and will result in a recommended project concept. Technical workshops included such topics as sidestream treatment, the recycled water pipeline, solids handling facilities, filtration, standby power, and disinfection. Like the preliminary design effort, decisions are presented as business case evaluations developed to identify the approaches that provide the best value to the City. The decisions from these workshops are being accumulated and will be presented in the Recommended Project Concept Report, which is scheduled to be submitted on December 18th.

Jacobs has also submitted the Target Cost Model, which will help inform future project discussions related to cost. The current version of the cost model was developed using the project scope described in the indicative design. The team continues to review and iterate on this model to better understand project costs. Future DRC meetings will present updated cost information based on this model.

Project Group F Financial Update

The following table shows current financial status for the Project Group F, including the following information:

- Baseline budget (i.e., Facility Plan budget)
- Currently contracted amount
- Future projected contracts
- Amount remaining for each budget
- Total dollar amount current spent per contract



Phase	Baseline Budget	Contracted	Projected Contracts	Remaining	Spent
DESIGN BUILDER	\$134,741,857	\$11,291,143	\$144,100,000	(\$20,649,286)	\$780,321
OA SERVICES	\$9,923,517	\$1,212,309	\$7,500,000	\$1,211,208	\$106,264
Total	\$144,665,374	\$12,503,452	\$151,600,000	(\$19,438,078)	\$886,585

Figure 1. Project Group F contract summaries

The following figure provides an overall snapshot of the Project Group F financials’ projected cash flow. This information will be updated as the design-builder builds the cost model and begins the design process. Note that the November invoice for the design-builder has not yet been processed, which is the reason of the lower than expected spend in November.

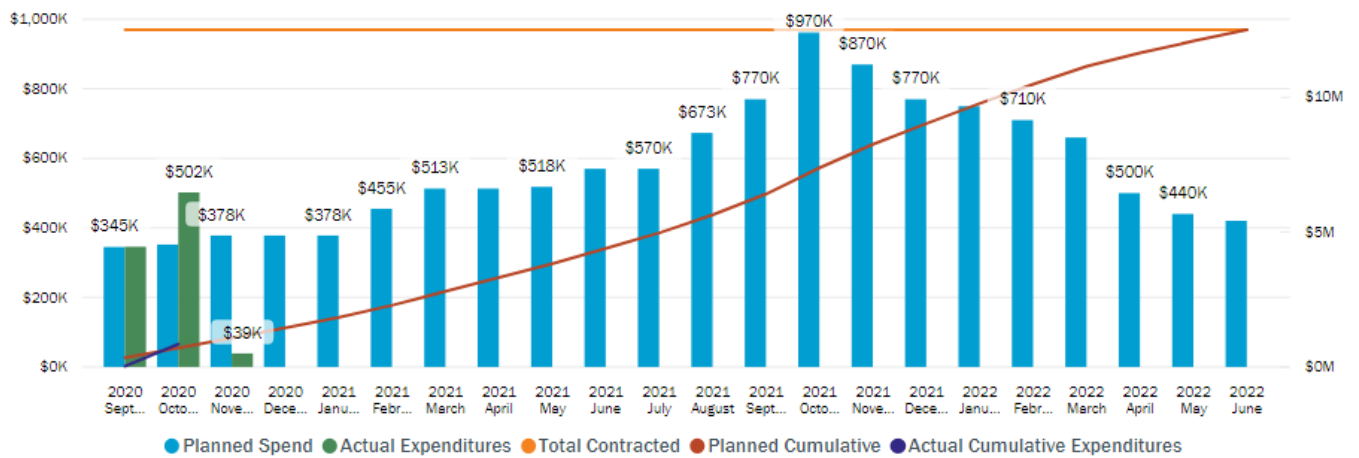


Figure 2. Project Group F projected and actual spend of current contracts

Potential Consequences

There are several considerations related to Project Group F worth highlighting for the DRC’s awareness.

- **Schedule for additional cost certainty in Project Group F:** There are several forthcoming milestones that will provide additional cost certainty. In July 2021 Jacobs is planning to submit the Early Works Package (EWP) and along with it the EWP Guaranteed Maximum Price (GMP) proposal. Following negotiations, this package will be approved by City Council in October 2021, which will provide additional cost certainty. The main works package is anticipated to follow in January 2022 along with the associated GMP proposal. This package would be approved by City Council in May 2022, solidifying Project Group F costs.
- **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 No. 5 and the replacement of a secondary digester with a sludge holding tank. The latter portion of this scope 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.
- **Material cost escalation:** The escalation of material costs for major construction projects is out-pacing inflation in the general market. This is driven by pressures from the on-going global pandemic and the

continued active construction market in the local area. These price increases on materials such as concrete and rebar are increasing the projected cost of Project Group F. As the project approaches the 30% design milestone over the next several months, we will present additional information on these impacts to the DRC.

Recommendation

This DRC briefing is intended to be informational to the DRC. The decision to authorize moving scope from Project Group D to Project Group F is included in DRC Briefing #36: Phase II Upgrades Financial Update.