



Design Review Committee Briefing #45

Subject: Phase II Upgrades Budget Update

Date: May 25, 2021

The Issue

The Nampa Wastewater Treatment Plant Phase II Upgrades are the largest capital project executed by the City. Transparency in spending is paramount for the program. This briefing follows several past briefing and City Council updates to provide an update on the program financials.

Background and Analysis

The Design Review Committee (DRC) recommended that the \$3.5M budget for the digested sludge storage tank and related pumping equipment be moved from the baseline budget of Project Group D to Project Group F during the April 2nd DRC meeting. Further information about this decision can be found in Briefing #42.

The DRC also approved the Value Engineering (VE) decisions during the April 2nd DRC meeting. The Technical Team identified four feasible concepts which provided cost saving potential to the City without impacting whole-plat performance objectives. These concepts provided the opportunity to reduce the cost of Project Group F by approximately \$14M. More information about VE recommendations can be found in Briefing #43.

Table 1, below, reflects the recommendations from the DRC regarding the Phase II Upgrades budget.

Table 1. Phase II Upgrades Budget				
Project	Baseline Budget	Current Contracted	Projected Contracts	Potential Savings
Project Group D	\$8,896,041	\$8,423,345	\$0	\$472,696
Project Group E	\$3,439,561	\$2,692,451	\$0	\$747,110
Project Group F	\$148,165,374	\$12,528,452	\$144,578,862	(\$8,916,940)
Project Group G	\$5,018,323	\$0	\$5,018,323	\$0
Predesign	\$5,119,154	\$4,803,503	\$0	\$315,651
Idaho Power Purchase	\$0	\$821,253	\$0	(\$821,253)
Programmatic Contingency	\$19,285,511	\$0	\$19,285,511	\$0
Total	\$189,923,962	\$29,269,004	\$175,903,833	(\$8,202,736)

Potential Consequences

Capital improvement projects across the nation are experiencing project cost escalation for a variety of reasons. Current volatile market conditions for raw materials are influencing project pricing due to current inflationary trends on the cost of commodities (e.g., steel, lumber, plastics, fuel). Locally, the Treasure Valley is experiencing a tight labor market. These external factors have the potential to impact pricing on remaining work included in Phase II Upgrades. Jacobs will be presenting an approach to bidding the project to help limit the risks of these impacts.

Recommendation

The intent of this briefing is informative and no recommendation is needed from the DRC.