TO: Mayor and City Council

SUBJECT: Mid-Continent Water Reclamation Facility - Budget Adjustment (District IV)

INITIATED BY: Water Utilities

AGENDA: New Business

**Recommendation**: Authorize an increase of $10.4 million to the CIP budget for construction of the Mid-Continent Water Quality Reclamation Facility.

**Background**: The 2000 Sanitary Sewer Master Plan recommended the construction of several satellite sewage treatment facilities. The facilities are to be located throughout the service area and are intended to bring sewage treatment services closer to the point of origin. Because of proximity to a major sewage collection line, one facility was suggested for Southwest Wichita near the Cowskin Creek pump station.

A siting study was conducted to identify possible locations for this facility. More than a dozen sites were reviewed through a public information campaign. Additional reviews and recommendations were made by the Park Board, District Advisory Board IV, and the Wichita Airport Authority. The conclusion was that a site located on airport ground was the most desirable, and the City Council approved that site.

**Analysis**: The original budget for the project was $23.5 million dollars. This included design and construction services for the plant and pump station upgrade. Separate budgets were established for the construction of sewer mains and land acquisition. Bids for all of the projects through completion totaled $31.5 million dollars.

The cost increases include the need to construct a facility capable of achieving lower effluent discharge limits than originally expected, cost of construction (materials and labor) and the need to construct on the airport ground. This project originally bid on March 7th, 2008. All of the bids received on that day exceeded the Engineer’s estimate and thus required, by charter ordinance, the project to be rebid. It is projected that rebid costs will exceed the original bids. All the cost increases described in this paragraph are reflected in the attached cost estimates.

**Financial Considerations**: The Water Utility is requesting an increase in CIP S-546, Mid-Continent Sewage Treatment Plant, of $10.4 million in addition to the original budget of $23.5 million. This will result in a total of $33.9 million and will accommodate all expected costs associated with the project. Documentation is attached itemizing the costs.

**Goal Impact**: The project will ensure efficient infrastructure by assuring adequate infrastructure now and in the City's future.

**Legal Considerations**: There are no legal considerations.

**Recommendations/Actions**: It is recommended that City Council: 1) approve the budget adjustment; and 2) authorize the necessary signatures.

**Attachments**: Detail of costs for the Mid-Continent Water Reclamation Facility.
<table>
<thead>
<tr>
<th>Item</th>
<th>Original Est.</th>
<th>Bid Costs</th>
<th>Revised Est.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineering and Design Fees</td>
<td>$ 5,000,000.00</td>
<td>$ 5,000,000.00</td>
<td>$ 5,000,000.00</td>
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<tr>
<td>Plant Construction</td>
<td>$ 15,000,000.00</td>
<td>$ 22,000,000.00</td>
<td>$ 24,000,000.00</td>
</tr>
<tr>
<td>Pump Station and Force Main</td>
<td>$ 3,000,000.00</td>
<td>$ 4,000,000.00</td>
<td>$ 4,000,000.00</td>
</tr>
<tr>
<td>SCADA</td>
<td>$ 300,000.00</td>
<td>$ 1,000,000.00</td>
<td>$ 1,000,000.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 23,300,000.00</strong></td>
<td><strong>$ 32,000,000.00</strong></td>
<td><strong>$ 34,000,000.00</strong></td>
</tr>
</tbody>
</table>

**Notes:**

1. The cost of both the plant and the pump station are higher than estimated due to the price of materials and labor required to build this type of facility. The plant costs are also higher because of a need to meet regulatory limits that are lower than those for which the plant was originally designed. (The State revised the limits for treatment plants during the design phase of the project.) The other major driver of the cost increases has come from locating the plant on airport property. Special provisions were made throughout the design process to meet FAA regulations and accommodate the development efforts of the Mid-Continent Airport.

2. SCADA is an acronym for the automated system that allows the division to operate facilities remotely and in turn reduce the staffing requirements. This project was designed to upgrade the entire network for the division and standardize the operating system for the Utility. The specifications for this work require a very high caliber integration firm. The cost to perform this part of the project was severely underestimated and the revised numbers are taken from the bid documents.

3. The three columns shown above represent the cost and estimates at three different points during this project. The original estimate column represents the estimates for the project at the beginning of design. The bid costs column represents the prices that were bid for the various sections of this total project. The engineering services and pump station items have been awarded and therefore will not change from the number listed in this column. The third column (Revised Estimates) contains estimates which are believed to represent cost projections which will allow all projects to be completed within the revised budget.