



City of Sacramento City Council

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915 I Street, Sacramento, CA, 95814
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Meeting Date: 3/29/2011

Report Type: Consent

Title: Change Order: 5th Street Sewer Upsizing, P to U Street (X14010032)

Report ID: 2011-00274

Location: Districts 1 and 4

Recommendation: Adopt a Resolution authorizing the City Manager to execute Change Order No. 3 with Florez Paving, for the amount of \$170,315.10, to compensate the Contractor for additional costs incurred because of unforeseen conditions.

Contact: Bill Busath, Interim Engineering Manager, (916) 808-1434; Brett Grant, Supervising Engineer, (916) 808-1413, Department of Utilities

Presenter: None

Department: Department Of Utilities

Division: Cip Engineering

Dept ID: 14001321

Attachments:

- 1-Description/Analysis
- 2-Background
- 3-Location Map.pdf
- 4-Resolution
- 5-Unexecuted Agreement Cover
- 6-Exhibit A - Agreement

City Attorney Review

Approved as to Form
Joe Robinson
3/16/2011 1:18:29 PM

Approvals/Acknowledgements

Department Director or Designee: Marty Hanneman - 3/15/2011 1:53:24 PM

Assistant City Manager: John Dangberg - 3/16/2011 10:33:32 AM



Description/Analysis

Issue: On May 18, 2010, Florez Paving was awarded the 5th Street Sewer Upsizing, P to U Street project. While constructing this project, the contractor encountered unforeseen conditions that were outside the scope of the original contract. Change Order Number 3 contains the final cost for extra work as negotiated between City staff and the Contractor as well as reconciliation of the final constructed quantities with the original bid quantities.

Policy Considerations: This action is in conformance with City Code Chapter 3.60, Article VI which governs change order approvals. The amount of this change order exceeds the City Manager's approval authority and must be approved by City Council.

Environmental Considerations: The Community Development Department, Environmental Planning Services Division reviewed the proposed project and determined that this project is categorically exempt from the California Environmental Quality Act (CEQA) under Classes 1 & 2, Sections 15301 (b)(d) and Section 15302(c) of the CEQA Guidelines, as the project consisted of repair of existing publicly owned facilities and restoration and rehabilitation of deteriorated or damaged facilities to meet current standards of public health and safety.

Sustainability: The project is consistent with the City's Sustainability Master Plan by reducing sanitary sewer overflows and improving reliability, which will reduce energy-intensive maintenance.

Commission/Committee Action: Not applicable

Rationale for Recommendation: The proposed change order compensates the Contractor for additional work performed because of encountering unforeseen conditions.

Financial Considerations: The 5th Street Sewer Upsizing, P to U Street Project (X14010032, fund 6006) has sufficient funds to execute the change order and complete the project.

Emerging Small Business Development (ESBD): This project included a participation goal of 20% for emerging and small business enterprises (ESBE) as required by Ordinance 99-007 and Resolution 99-055. Florez Paving is an ESBE contractor and the extra work as well as the overall contract exceeds the stated ESBE participation goal.

BACKGROUND

The contract for the 5th Street Sewer Upsizing, P to U Street Project was awarded on May 18, 2010 to Florez Paving. The 5th Street Sewer Upsizing, P to U Street project is part of the Downtown Sewer Upsizing Project, which was identified as a part of the Combined Sewer System Improvement Plan. The Downtown Sewer Upsizing Project constitutes a network of upsized pipes that connect to an upsized and improved Sump 1/1A, which when completed will significantly reduce the hydraulic grade line in the downtown area, which will reduce system outflows and treated and untreated discharges. This project connects to recently completed projects and further allows planned projects to be designed and constructed, in order to complete the Downtown Sewer Upsizing Project.

The project replaced aged (some over 100 years old) combined sewer pipes with pipes that are much larger and constructed parallel pipes. Most of the older combined system in the downtown area have reached the end of their useful lives and need to be replaced to avoid failure or even catastrophic collapse in the future. During implementation of the work for the project, the Contractor encountered unforeseen underground conflicts that were outside the scope of the original Contract, which are described in more detail below. This change order will compensate the Contractor for additional costs incurred because of these unforeseen conditions.

During construction of the 60- and 72-inch sewer pipe, the Contractor encountered intermittent trench wall sloughing that caused extra work in the pipe laying operation. The sloughing caused additional trench backfill material, as well as additional trucking to remove the sloughed material.

Also during construction, the Contractor encountered two unmarked SMUD facilities at the intersection of 5th and R Street. These two facilities were close enough together that equipment could not dig between them and far enough apart that the Contractor had to tunnel underneath them. Further, the City required the Contractor backfill beneath these facilities with a controlled density fill. The tunneling and backfill were extra work to the Contractor.

Lastly, at the intersection of 5th and P Street, SMUD did not relocate the cables in a ductile iron casing pipe prior to construction in order to avoid conflict with the proposed sewer pipe. When the Contractor encountered this facility during construction, SMUD representatives informed the City and the Contractor of the possibility that not all cables had been relocated. The Contractor had to break into a 36-inch ductile iron casing pipe and cautiously examine each conduit within for live wires.

This change order pays for the extra work necessary to complete the construction of the project. Two previous change orders approved pursuant to the City Manager's

delegated authority authorized additional payment to the Contractor for the redesign of the new 60-inch pipe along S Street, at the intersection of 5th Street. A 96-inch structure was constructed over two 60-inch pipes and the 72-inch pipe. Such structure allowed the City to maintain the structural stability of an existing manhole, improve pipe hydraulics while negating the construction of two manholes and work to abandon the existing 60-inch pipe along S Street.

The two previously approved change orders covered a portion of a storm drain line that was replaced to clear the 72-inch pipe and nullify the need of a separation manhole; and hand digging required for the installation of the fiber optic duct bank due to several mismarked utilities at the intersections of 5th and Q Street, and 5th and P Street.

In a few locations, SMUD facilities were found in different locations than what was provided by SMUD. At the intersection of 5th and P Street, a prefabricated 72-inch elbow was not installed per design due to a SMUD bank conflict. The elbow was purchased from the Contractor for use in a future project, after the SMUD conflict is resolved. Exposing such facilities and redesigning City facilities were outside of the scope of the project and paid as extra work to the Contractor.



RESOLUTION

Adopted by the Sacramento City Council

APPROVING CHANGE ORDER No. 3, FOR THE 5TH STREET SEWER UPSIZING, P TO U STREET PROJECT (X14010032)

BACKGROUND

- A. The contract for the 5th Street Sewer Upsizing, P to U Street Project was awarded on May 18, 2010 to Florez Paving for the amount of \$1,722,885.00.
- B. Two previous change orders were approved pursuant to the City Manager's delegated authority authorized additional payment for various conflicts with outside utilities, redesign of storm and sewer facilities to improve system and pipe hydraulics, purchase of a prefabricated elbow for use in a future project, and small unforeseen conflicts outside of the scope of the contract. Change Order No. 1 increased the contract by \$64,680.09. Change Order No. 2 further increased the contract by \$36,517.09.
- C. During implementation of the work for the project, the Contractor encountered unforeseen underground conflicts that were outside the scope of the original Contract. Change Order No. 3 will compensate the contractor for additional costs incurred because of these unforeseen conditions.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section1: The City Manager is authorized to execute Change Order No. 3 with Florez Paving for the 5th Street Sewer Upsizing, P to U Street Project, for the amount of \$170,315.10.

Section 2. Exhibit A is made a part of this Resolution.

Exhibit A - Change Order No. 3



Unexecuted Contract/Agreements

- The Unexecuted Contract/Agreement is signed by the other party, is attached as an exhibit to the resolution, and is approved as to form by the City Attorney.

- The Unexecuted Contract/Agreement (Public Project) is NOT signed by the other party, is attached as an exhibit to the resolution, and is approved as to form by the City Attorney.

- The Unexecuted Contract is NOT included as an exhibit to the Resolution because the Agreement(s) is with other another governmental agency and it is not feasible to obtain the other agency's signature prior to Council action (be they denominated Agreements, MOUs, MOAs, etc.); however, the City Attorney approves the forwarding of the report to Council even though the signed agreement is not in hand yet.

- The Unexecuted Contract is NOT included as an exhibit to the resolution because, due to special circumstances, and the City Attorney confirms in writing that it is okay to proceed with Council action even though the signed agreement is not in hand yet.

All unexecuted contracts/agreements which are signed by the other parties are in the Office of the City Clerk before agenda publication.



CITY OF SACRAMENTO

CHANGE ORDER

Contract # & Date: 2010-0466 05/18/2010

Budget#: 6006-50000-51000000-X14010032

Purchase Order #: 0000010925

Change Order No: 3

Sacramento, California

March 29, 2011

TO: Florez Paving, Contractor

CONTRACT FOR: 5th STREET SEWER UPSIZING, P TO U STREET

(B103331027)

Upon mutual acceptance of this document by the City of Sacramento, hereinafter referred to as "CITY", and your firm, hereinafter referred to as "CONTRACTOR", in accordance with the terms and conditions of the original contract documents, you are hereby directed to make the following change or changes for the consideration set forth below:

Description: See Exhibit A, attached hereto and incorporated herein by this reference.

The original contract sum was:	\$ 1,722,885.00
Net change by previous change orders:	\$ 101,197.18
The contract sum prior to this change order was:	\$ 1,824,082.18
The contract sum will be <u>increased</u> by this C.O.:	\$ 170,315.10
New contract sum including all Change Orders:	\$ 1,994,397.28

CONTRACTOR agrees that the amount of increase or decrease in the contract sum specified in this change order shall constitute full compensation for the work required by this change order, including but not limited to all compensation for the additional and/or revised work specified herein, and shall fully compensate CONTRACTOR for any and all direct and indirect costs that may be incurred by CONTRACTOR in connection with such additional and/or revised work, including any changes, disruptions or delays in work schedules or in the performance of other work by CONTRACTOR. The time for performance of the Contract will not be changed by reason of the work required by this Change Order. Except as herein above expressly provided, CONTRACTOR further agrees that the performance of the work specified in this Change Order or the rescheduling of other project work made necessary by this Change Order, shall not constitute a delay which will extend the time limit for completion of the work as said term is used in the Contract between CITY and CONTRACTOR for the project. CONTRACTOR agrees that CITY's payment of the new Contract sum specified above fully and finally resolves all of CONTRACTOR's claims for additional compensation under the Contract, and CONTRACTOR unconditionally releases any and all claims for compensation exceeding this sum.

Approval Recommended By:

[Signature]
Project Manager - Sonia Lopez

Approved By:

[Signature]
Gus Vina, Interim City Manager

Approved By:

[Signature]
Contractor - Florez Paving

Approved By:

[Signature]
Shirley Concolino, City Clerk

Approved as to Form:

[Signature]
City Attorney

**CITY OF SACRAMENTO
CHANGE ORDER
EXHIBIT A**

Contract # & Date: 2010-0466 05/18/2010

Budget#: 6006-50000-51000000-X14010032

Purchase Order #: 0000010925

Change Order No: 3

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- | | | |
|---|--|--------------------------------|
| 1. | Bid Item #5, "12-Inch Drain Lead to Place", <i>increase</i> quantity by 17 EA @ \$ 200.00/LF.
Database Code: Unforeseen Conditions | Total This Item: \$ 3,400.00 |
| 2. | Bid Item #6, "10-Inch Drain Lead to Place", <i>increase</i> quantity by 118 LF @ \$100.00/LF.
Database Code: Unforeseen Conditions | Total This Item: \$11,800.00 |
| 3. | Bid Item #22, "Asphalt Overlay to Place", <i>increase</i> quantity by 93.25 TON @ \$250.00/TON.
Database Code: Unforeseen Conditions | Total This Item: \$23,312.50 |
| <i>Sub-Total for Line Item overruns: \$ 38,512.50</i> | | |
| 4. | Bid Item #2, "72-Inch Sewer Pipe to Place", <i>decrease</i> quantity by 10 LF @ \$ 648.00/LF.
Database Code: Unforeseen Conditions | Total This Item: \$ - 6,480.00 |
| 5. | Bid Item #3, "60-Inch Sewer Pipe to Place", <i>decrease</i> quantity by 5 LF @ \$527.00/LF.
Database Code: Unforeseen Conditions | Total This Item: \$ - 2,635.00 |
| 6. | Bid Item #10, "Saddle Manhole to Construct", <i>decrease</i> quantity by 4 EA @ \$9,000.00 EA.
Database Code: Unforeseen Conditions | Total This Item: \$ -36,000.00 |
| 7. | Bid Item #13, "60-Inch Pipe to Abandon", <i>decrease</i> quantity by 1 LS @ \$ 7,500.00 LS.
Database Code: Unforeseen Conditions | Total This Item: \$ - 7,500.00 |
| 8. | Bid Item #14, "Manhole to Remove", <i>decrease</i> quantity by 4 EA @ \$1,000.00 EA.
Database Code: Unforeseen Conditions | Total This Item: \$ - 4,000.00 |
| 9. | Bid Item #17, "Water Main to Raise", <i>decrease</i> quantity by 1 EA @ \$7,500.00 EA.
Database Code: Unforeseen Conditions | Total This Item: \$ - 7,500.00 |
| 10. | Bid Item #18, "Sewer Service to Replace", <i>decrease</i> quantity by 6 EA @ \$1,000.00 EA.
Database Code: Unforeseen Conditions | Total This Item: \$ - 6,000.00 |
| 11. | Bid Item #19, "Pipe Ends to Plug", <i>decrease</i> quantity by 25 EA @ \$100.00 EA.
Database Code: Unforeseen Conditions | Total This Item: \$ - 2,500.00 |
| 12. | Bid Item #20, "Substandard Water Service to Replace", <i>decrease</i> quantity by 3 EA @ \$100.00 EA.
Database Code: Unforeseen Conditions | Total This Item: \$ - 300.00 |
| 13. | Bid Item #24, "Traffic Loops to Replace", <i>decrease</i> quantity by 4 EA @ \$800.00 EA.
Database Code: Unforeseen Conditions | Total This Item: \$ - 3,200.00 |
| 14. | Bid Item #25, "Unsuitable Material to Remove and Replace", <i>decrease</i> quantity by 500 TON @ \$0.01/TON.
Database Code: Unforeseen Conditions | Total This Item: \$ - 5.00 |
| 15. | Bid Item #26, "Unmarked Utility Crossings", <i>decrease</i> quantity by 10 EA @ \$50.00 EA.
Database Code: Unforeseen Conditions | Total This Item: \$ - 500.00 |

Sub-Total for remaining quantities: \$ -76,620.00

NOTE: Above items 1 through 15 are listed to reconcile the contract quantities with the actual amounts measured in the field

Extra Work Items

The CONTRACTOR has submitted claims requesting additional compensation for the performance of extra work. The claims are in the form of letters dated December 6, 2010 with the subjects:

- 5th Street Sewer Upsizing P Street to U Street – Additional Cost for Sloughing on 72-inch Pipe (PCO#1).
- 5th Street Sewer Upsizing P Street to U Street – Additional Cost for Sloughing on 60-inch Pipe (PCO #8).

In addition to the above, the CONTRACTOR submitted claims in the form of extra work reports identified as PCO #9, PCO #16, and PCO #19.

The CITY disputed these claims on the basis that the costs submitted by the CONTRACTOR were excessive and unjustified. After attempts to resolve these issues failed, the CITY issued letters on January 25, 2011 denying each claim. Subsequently the CONTRACTOR contacted the city in a final attempt to resolve these issues. In order to settle and resolve these claims, the CITY and CONTRACTOR agree to the following:

16. (PCO #1) During construction of the proposed 60-inch sewer pipe, the Contractor encountered intermittent trench wall sloughing. The Contractor claimed in the letter dated December 6, 2010 that the sloughing caused extra work in the Contractor's pipe laying operation, necessitated additional trench backfill material, and required additional trucking to remove the sloughed material. The City and Contractor agree to the negotiated lump sum cost of \$43,895.00 to settle this claim.
Database Code: Unforeseen Conditions Total This Item: \$ 43,895.00
17. (PCO #8) During construction of the proposed 72-inch sewer pipe, the Contractor encountered intermittent trench wall sloughing. The Contractor claimed in the letter dated December 6, 2010 that the sloughing caused extra work in his pipe laying operation, necessitated additional trench backfill material, and required additional trucking to remove the sloughed material. The City and Contractor agree to the negotiated lump sum cost of \$79,229.00 to settle this claim.
Database Code: Unforeseen Conditions Total This Item: \$ 79,229.00
18. (PCO #9) The Contractor encountered an unmarked SMUD facility at approximate Station 17+80 near the documented SMUD facility. The unreinforced concrete encasement of the SMUD conduits needed to be supported from the surface. Also these two facilities were close enough together that equipment could not dig between them and far enough apart that the Contractor had to essentially tunnel underneath them. The City required that the Contractor backfill beneath these facilities with a controlled density fill. The Contractor claimed the tunneling and backfill were extra work. The City and Contractor agree to the negotiated lump sum cost of \$19023.72 to settle this claim.
Database Code: Problem with Utility Information Received Total This Item: \$ 19,023.72
19. (PCO #16) At the intersection of 5th and P Street, the SMUD cables were relocated to avoid conflict with the proposed 72-inch sewer pipe. However, SMUD did not remove the abandoned facility and when the Contractor encountered this facility during construction SMUD representatives informed the City and the Contractor that there was a possibility that not all cables had been relocated. Contractor had to break into a 36-inch ductile iron casing pipe and cautiously examine each conduit within for live wires. The City and Contractor agree to the negotiated lump sum cost of \$17,340.02 to settle this claim.
Database Code: Problem with Utility Information Received Total This Item: \$ 17,340.02
20. (PCO #19) Contractor encountered an 8-inch sewer service at a depth of 60 inches below grade, connected to the removed 24-inch sewer pipe. Contractor was delayed while City determined whether or not to construct a manhole over the service connection to the proposed 72-inch sewer pipe. The City and Contractor agree to the negotiated lump sum cost of \$1,684.86 for this delay.
Database Code: Unforeseen Condition Total This Item: \$ 1,684.86
21. (PCO #22) Due to intermittent trench wall sloughing, the Contractor incurred additional expense replacing the base pavement. This amounted to approximately 189 tons of AC. City and Contractor agreed to a unit cost of \$250 per ton for this work.
Database Code: Unforeseen Condition Total This Item: \$ 47,250.00

Sub-Total for Extra Work Items: \$ 208,422.60

Total This Change Order = \$ 170,315.10

In exchange for the increase in Contract price described above, Contractor releases any and all claims that the Contractor may have against the City for additional compensation or other damages in connection with construction of this project. Contractor expressly acknowledges that this Change Order is intended to release and extinguish, without limitation, all claims for additional compensation or other damages related in any way to the construction of the project that Contractor currently does not know or suspect to exist. Nothing set forth in this Change Order shall amend or have any effect upon the City's rights and Contractor's obligations under the Contract Documents with respect to the correction of defective work and/or the enforcement of the provisions of any warranty.