

**Meeting Date:** 5/14/2013

**Report Type:** Consent

**Report ID:** 2013-00331



**City Council Report**  
915 I Street, 1<sup>st</sup> Floor  
[www.CityofSacramento.org](http://www.CityofSacramento.org)

**Title: Change Order: Cured-In-Place-Pipe Sewer Rehabilitation (X14110900)**

**Location:** Districts 4, 5

**Issue:** Change Order No. 2 will close out the project, including payment for extra work to rehabilitate deteriorating sewer pipelines.

**Recommendation:** Pass a Motion authorizing the City Manager or the City Manager's designee to sign Change Order No. 2 to Contract No. 2012-00576 with Michels Corporation, in the amount of \$37,136, bringing the total contract amount to \$402,247.

**Contact:** Bill Busath, 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
- 4 - Exhibit A - CO#1
- 5 - Exhibit B - CO#2

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**City Attorney Review**

Approved as to Form  
Joe Robinson  
5/7/2013 11:00:37 AM

**City Treasurer Review**

Reviewed for Impact on Cash and Debt  
Russell Fehr  
4/29/2013 10:44:09 AM

**Approvals/Acknowledgements**

Department Director or Designee: Dave Brent - 5/3/2013 3:05:31 PM



## Description/Analysis

**Issue Detail:** On June 19, 2012, Michels Corporation was awarded the Cured-In-Place-Pipe (CIPP) Sewer Rehabilitation 2011 Project (X14110900) for an amount not to exceed \$332,978. Change Order No. 2 will close out the project, including payment for extra work as negotiated between City staff and the contractor.

**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 (10% of the original contract amount) and must be approved by City Council.

**Economic Impacts:** The additional work for this infrastructure rehabilitation project is expected to create 0.28 total jobs (0.16 direct jobs and 0.12 jobs through indirect and induced activities) and create \$42,802 in total economic output (\$26,979 of direct output and an additional \$15,824 of output through indirect and induced activities.)

*The indicated economic impacts are estimates calculated using a calculation tool developed by the Center for Strategic Economic Research (CSER). CSER utilized the IMPLAN input-output model (2009 coefficients) to quantify the economic impacts of a hypothetical \$1 million of spending in various construction categories within the City of Sacramento in an average one-year period. Actual impacts could differ significantly from the estimates and neither the City of Sacramento nor CSER shall be held responsible for consequences resulting from such differences.*

**Environmental Considerations:** The Community Development Department, Environmental Planning Division, reviewed the CIPP Sewer Rehabilitation project before the contract was awarded and determined that the project was categorically exempt from the California Environmental Quality Act (CEQA) under Class 1, Section Number 15301(b)(d) of the CEQA Guidelines, as the project consists of the operation, repair, and maintenance of existing sewerage utilities including the rehabilitation of deteriorated facilities. The proposed change order would not change the CEQA determination.

**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:** Change Order No. 1 was approved on April 17, 2013, under the City Manager's approval authority, to compensate the contractor for performing extra work due to unforeseen conditions. The proposed change order compensates the contractor for performing additional work including potholing work to locate an unknown conflicting utility, and extra work (bypass pumping, hand excavation, liner removal, relining work, surface restoration) to address a liner failure.

**Financial Considerations:** There is sufficient funding (wastewater Fund 6006) in the CIPP Sewer Rehabilitation Project (X14110900) to fund Change Order No.2 (\$37,136.12). The total contract amount will then become \$402,246.55.

**Emerging Small Business Development (ESBD):** This project included a participation goal of 20% for emerging and small business enterprises (ESBEs). Michels Corporation exceeded the ESBE goals with a participation level of 32.01%.



## Background

On June 19, 2012, the City of Sacramento awarded Michels Corporation the Cured-In-Place-Pipe (CIPP) Sewer Rehabilitation project. The purpose of the project was to repair failing sewer pipelines using a trenchless technology called CIPP lining. CIPP lining repairs a failing pipeline with minimal public disruption and surface damage since the majority of the work occurs remotely within the pipeline itself and is accessed through existing manholes. The CIPP rehabilitation process involves inserting a resin impregnated liner into an existing pipe (using water or air inversion) and curing the liner in place with steam or hot water to form a seamless pipe within a pipe.

The scope of this project was to repair approximately 5,365 feet of six, eight & 18-inch diameter pipeline and other associated work.

Four bids were received and opened by the City Clerk on May 23, 2012. The project was awarded to Michels Corporation, the lowest responsive and responsible bidder. The summary of the bids is as follows:

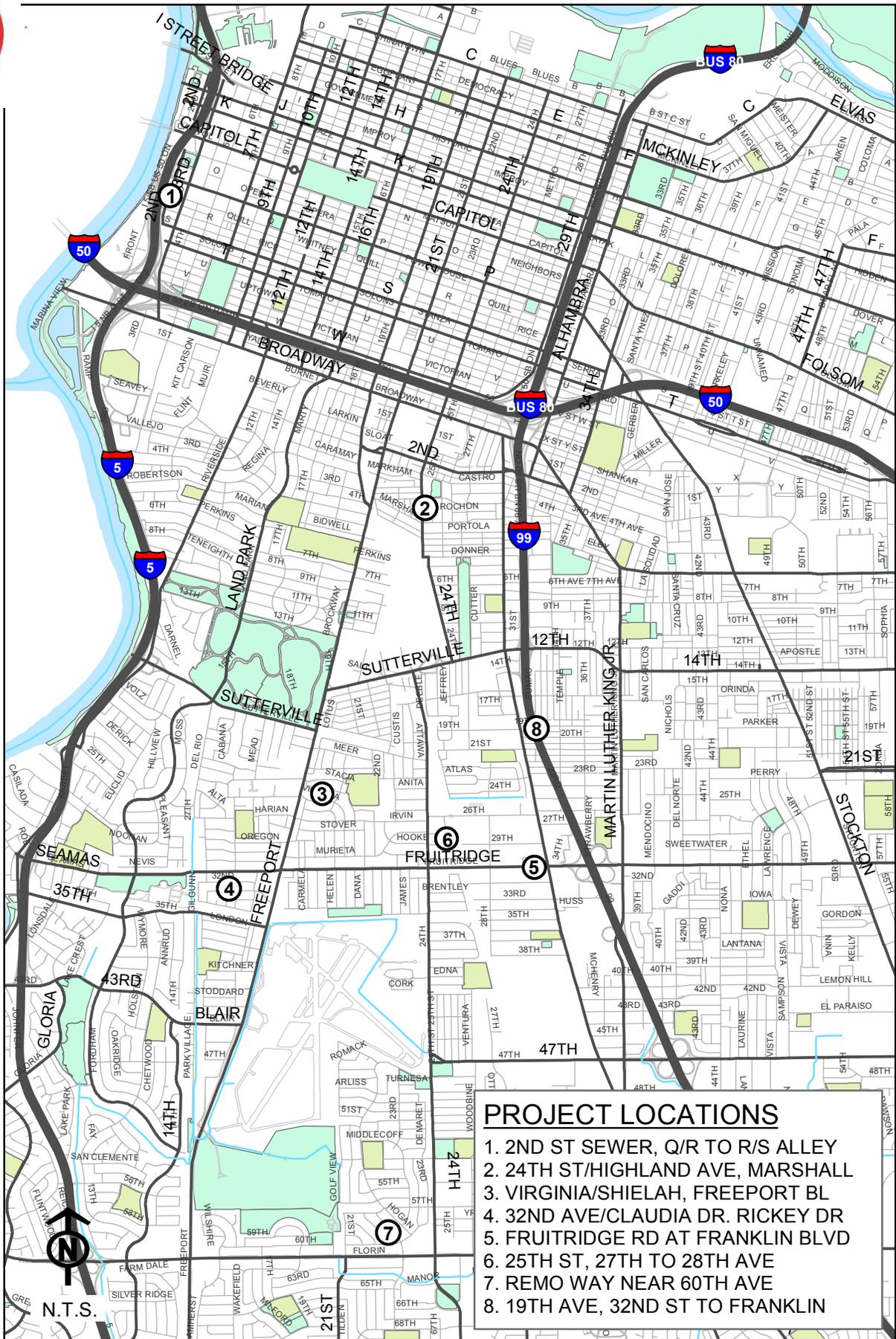
Bidder No.	Bidder Name	Total Bid
1	Michels Corporation dba Michels Pipeline Construction	\$ 332,978.00
2	SAK Construction of CA LP	\$ 382,330.00
3	Insituform Technologies, inc.	\$ 393,573.00
4	Veolia ES Industrial Services, Inc.	\$ 486,961.50

During construction, conditions were encountered that necessitated the Contractor to perform additional work. The additional work is described in Change Orders No.1 and No.2.

- Change Order No. 1 amount: \$32,132.43
- Change Order No. 2 amount: \$37,190.12

The amount of Change Order No. 2 caused the total change order amount to exceed the City Manager's approval authority, necessitating approval by City Council.

# CIPP SEWER REHABILITATION 2011 (X14110900) LOCATION MAP



- PROJECT LOCATIONS**
1. 2ND ST SEWER, Q/R TO R/S ALLEY
  2. 24TH ST/HIGHLAND AVE, MARSHALL
  3. VIRGINIA/SHIELAH, FREEPORT BL
  4. 32ND AVE/CLAUDIA DR. RICKEY DR
  5. FRUITRIDGE RD AT FRANKLIN BLVD
  6. 25TH ST, 27TH TO 28TH AVE
  7. REMO WAY NEAR 60TH AVE
  8. 19TH AVE, 32ND ST TO FRANKLIN



# CITY OF SACRAMENTO

## CHANGE ORDER

**Contract # & Date:** CO 2012-0576 06/19/2012      **Budget#:** 6006-50000-51000000- X14110900

**Purchase Order #:** 0000018059      **Change Order No.:** 1

Sacramento, California      April 5, 2013

TO: Michels Corporation Contractor

**CONTRACT FOR:** Cured-In-Place-Pipe (CIPP) Sewer Rehabilitation 2011      (B123331025)

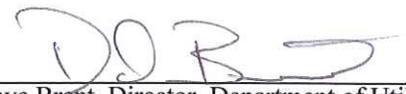
Upon mutual acceptance of this document by the City of Sacramento, hereinafter referred to as "CITY", and your firm, hereinafter referred to as "CONTRACTOR", in accordance with the terms and conditions of the original contract documents, you are hereby directed to make the following change or changes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

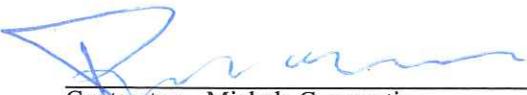
**Description:** SEE EXHIBIT A

The original contract sum was	\$ <u>332,978.00</u>
Net change by previous change orders	\$ <u>0.00</u>
The contract sum prior to this change order was	\$ <u>332,978.00</u>
The contract sum will be <b>increased</b> by the c.o.	\$ <u>32,132.43</u>
New contract sum including all change orders	\$ <u>365,110.43</u>

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 or other work by CONTRACTOR. The time for performance of the Contract will **increase by 15 days** by reason of the performance 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.

**Approval Recommended By:**  
  
Project Manager – Dale Mathison

**Approved By:**  
  
Dave Brent, Director, Department of Utilities

**Approved By:**  
  
Contractor – Michels Corporation.

**Attest By:**  
  
City Clerk – Shirley Concolino  
4-17-13

This Form Has Been Approved By The City Attorney's Office (10-4-96) for Change Orders that do not require City Council Approval. A City Attorney Signature is required if any changes or alterations are made to this form.

**CITY OF SACRAMENTO  
CHANGE ORDER  
EXHIBIT A**

**Contract # & Date:** 2012-0576 06/19/2012  
**Purchase Order #:** 0000018059

**Budget #:** 6006-50000-51000000- X14110900  
**Change Order No:** 1

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- 1) Contractor performed extra work to replace the existing sewer service connection at 4821 Freeport Boulevard. The extra work included hand excavating the sewer service, replacing the existing service connection, placing backfill (including slurry backfill), removing spoils from the site and restoring the surface. Extra costs were tracked on a time and materials basis and agreed upon by the City and Contractor.  
(Database Code: Unforeseen Conditions) Total This Item: \$ 9,467.39
  
  - 2) Contractor performed extra work to repair a concrete patio at 4913 Virginia Way at the location of an external lateral reinstatement. Extra costs were tracked on a time and materials basis and agreed upon by the City and Contractor.  
(Database Code: Unforeseen Conditions) Total This Item: \$ 471.04
  
  - 3) Contractor performed extra work to remove three protruding taps on the Virginia/Shielah Way 6" sewer main between MH's 504LL14 & 512LL14. Costs of \$2,000/tap were agreed upon by the City and Contractor.  
(Database Code: Unforeseen Conditions) Total This Item: \$ 6,000.00
  
  - 4) Due to the severely deteriorated condition and large hole/void in the 18-inch main along 2<sup>nd</sup> Street between MH523DD13 & 402DD13, the contractor redesigned the liner to increase the thickness and used water inversion to install the liner due to the poor condition of the host pipe and the increased liner thickness. The contractor also filled the remaining void outside of the lined pipe with hydrophilic, polyurethane material, Sealfoam. Extra costs were agreed upon by the City and Contractor.  
(Database Code: Unforeseen Conditions) Total This Item: \$ 16,194.00
- Net Extra Work Items: \$ 32,132.43**
- Total This Change Order: \$ 32,132.43**



CITY OF SACRAMENTO

CHANGE ORDER

Contract # & Date: 2012-0576 06/19/2012

Budget #: 6006-50000-51000000-X14110900

Purchase Order #: 0000018059

Change Order No: 2

Sacramento, California

May 14, 2013

TO: Michels Corporation dba Michels Pipeline Construction, Contractor

CONTRACT FOR: Cured-In-Place-Pipe (CIPP) Sewer Rehabilitation 2011 (B123331025)

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

The original contract sum was:	\$ 332,978.00
Net change by previous change orders:	\$ 32,132.43
The contract sum prior to this change order was:	\$ 365,110.43
The contract sum will be <i>increased</i> by this C.O.:	\$ 37,136.12
New contract sum including all Change Orders:	\$ 402,246.55

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 or other work by CONTRACTOR. The time for performance of the Contract will be **increased by 60 days** by reason of the performance 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.

Approval Recommended By:

Project Manager - Dale Mathison

Approved as to Form by:

Joe Robinson, Deputy City Attorney

Approved By:

Contractor - Michels Pipeline Construction

Approved By:

\_\_\_\_\_  
Dave Brent, Director, Department of Utilities

Approved By:

\_\_\_\_\_  
Shirley Concolino - City Clerk Date

**CITY OF SACRAMENTO  
CHANGE ORDER  
EXHIBIT A**

**Contract # & Date:** 2012-0576 06/19/2012

**Budget #:** 6006-50000-51000000-X14110900

**Purchase Order #:** 0000018059

**Change Order No:** 2

1)	Bid Item #5, "6-inch CIPP Liner to Install" <b>increase</b> quantity by 6.1 LF @ \$27.00/LF. (Database Code: Unforeseen Conditions)	Total This Item: \$ 164.70
2)	Bid Item #9, "Laterals to Reinstate Externally" <b>increase</b> quantity by 12 EA @ \$3,675.00/EA. (Database Code: Unforeseen Conditions)	Total This Item: \$ 44,100.00
		<b>Net Additions: \$ 44,264.70</b>
3)	Bid Item #3, "Point Repairs" <b>decrease</b> quantity by 6 LF @ \$550.00/LF. (Database Code: Unforeseen Conditions)	Total This Item: \$ -3,300.00
4)	Bid Item #4, "CCTV and Clean Sewer Pipe" <b>decrease</b> quantity by 14 LF @ \$4.20/LF. (Database Code: Unforeseen Conditions)	Total This Item: \$ -58.80
5)	Bid Item #6, "8-inch CIPP Liner to Install" <b>decrease</b> quantity by 3.9 LF @ \$25.00/LF. (Database Code: Unforeseen Conditions)	Total This Item: \$ -97.50
6)	Bid Item #7, "18-inch CIPP Liner to Install" <b>decrease</b> quantity by 12 LF @ \$61.00/LF. (Database Code: Unforeseen Conditions)	Total This Item: \$ -732.00
7)	Bid Item #8, "Laterals to Reinstate Internally" <b>decrease</b> quantity by 23 EA @ \$135.00/EA. (Database Code: Unforeseen Conditions)	Total This Item: \$ -3,105.00
8)	Bid Item #10, "Inside Drop Connection to Construct" <b>decrease</b> quantity by 1 EA @ \$1,450/EA. (Database Code: Unforeseen Conditions)	Total This Item: \$ -1,450.00
9)	Bid Item #11, "Manhole Flow Channel & Bench to Construct" <b>decrease</b> quantity by 1 EA @ \$1,500/EA. (Database Code: Unforeseen Conditions)	Total This Item: \$ -1,500.00
10)	Bid Item #12, "Manhole to Rehabilitate" <b>decrease</b> quantity by 1 EA @ \$1,150/EA. (Database Code: Unforeseen Conditions)	Total This Item: \$ -1,150.00
		<b>Net Deductions: \$ -11,393.30</b>

**NOTE:** Above items 1 through 10 are listed to reconcile the contract quantities with the actual amounts measured in the field.

11)	Contractor performed extra work to hydro-excavate (pothole) a 20" SMUD gas facility in conflict with the sewer main point repair in Fruitridge Road between MH 623MM16 & 512MM16. Extra costs were tracked on a time and materials basis and agreed upon by the City and Contractor. (Database Code: Unforeseen Conditions)	Total This Item: \$ 1,164.72
12)	Contractor performed extra work on the Claudia Dr/32 <sup>nd</sup> Ave easement main from MH 710MM14 to 714MM14. The extra work included bypass pumping, excavation, liner removal, re-lining work, and surface restoration and was associated with severe weather and collapsed liner. Extra costs were agreed upon by the City and Contractor. (Database Code: Unforeseen Conditions)	Total This Item: \$ 3,100.00
		<b>Net Extra Work Items: \$ 4,264.72</b>

**Total This Change Order: \$ 37,136.12**