

Meeting Date: 6/17/2014

Report Type: Consent

Report ID: 2014-00436

Title: Change Order: Lampasas Avenue Sewer Replacement Project (X14120600)

Location: District 2

Recommendation: 1) Pass a Motion authorizing the City Manager or the City Manager's designee to sign Change Order 1 to City Agreement No. 2013-1095 with Navajo, Inc. in an amount not to exceed \$106,923, bringing the contract total to \$563,708; and 2) pass a Resolution authorizing the transfer of \$125,000 from Base CIP Contingency Wastewater Project (X14000500, Fund 6320) to Lampasas Ave Sewer Replacement & Rehab Project (X14120600).

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

Presenter: None

Department: Department Of Utilities

Division: Engineering & Water Resources

Dept ID: 14001311

Attachments:

1-Description/Analysis

2-Background

3-Location Map

4-Resolution

5-Change Order No. 1

City Attorney Review

Approved as to Form

Joe Robinson

6/4/2014 3:06:36 PM

Approvals/Acknowledgements

Department Director or Designee: Dave Brent - 5/29/2014 5:30:19 PM

Description/Analysis

Issue Detail: The Lampasas Avenue Sewer Replacement and Rehabilitation project consists of replacing approximately 1,610 feet of deteriorated and undersized sewer pipe and associated work. City Council awarded this contract to Navajo Pipelines, Inc. on September 18, 2013 for a contract amount of \$456,785. Several unforeseen conditions and conflicts required that both the project design and approach be changed during construction. Change Order No. 1 compensates the contractor for additional work performed to address these unforeseen conditions for an agreed-upon lump sum fee of \$106,922.68.

The transfer of \$125,000 from Base CIP Contingency Wastewater Project (X14000500, fund 6320) to the Lampasas Avenue Sewer Replacement and Rehabilitation Project (X14120600, fund 6320) will allow payment of Change Order No. 1. In addition, the transfer will reimburse the project fund for the additional inspection, project management, and engineering costs incurred by City staff to address the project issues and complete the project.

Policy Considerations: Replacement of aging and deteriorated sewer pipes is consistent with the Department of Utilities' (DOU's) Capital Improvement Programming Guide to rehabilitate, replace, and expand critical infrastructure to ensure reliability and safety of the City's sewer system. Procurement of the construction services was in conformance with City Code Chapter 3.60, Articles I and III, which provide that the City Council may award competitively bid contracts to the lowest responsible bidder.

Economic Impacts: Including Change Order No. 1, this infrastructure repair project was expected to create 2.25 total jobs (1.3 direct jobs and 1 job through indirect and induced activities) and create \$348,053 in total economic output (\$219,380 of direct output and another \$128,672 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 project prior to contract award and determined that this project was categorically exempt from the California Environmental Quality Act (CEQA) under Class 1 and 2, Section Numbers 15301

and 15302 of the CEQA Guidelines. The project consists of the replacement of existing deteriorated and/or damaged sewer pipes, manholes, and associated appurtenances to meet current standards of public health and safety where the new structures will be located on the same site as the structure replaced and will have substantially the same purpose and capacity of the structure replaced.

Sustainability: The project is consistent with the City's Sustainability Master Plan by reducing sanitary sewer outflows, which is one of the City's sustainability targets; and by improving reliability, which will reduce energy-intensive maintenance efforts.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: Passing this motion and resolution will enable the City to pay for Change Order 1 of the Lampasas Avenue Sewer Replacement and Rehabilitation project.

Financial Considerations: The Lampasas Avenue Sewer Replacement and Rehabilitation Project total budget is \$576,000, which included a construction contract for an amount not-to-exceed \$456,785. Currently, the total expended and encumbered amounts for design, inspection, and construction are \$12,975.32 above the total project budget. With Change Order No. 1 and the projected additional staff services required to complete the project, DOU estimates the final project cost will be \$125,000 above the current budget.

Sufficient unobligated funds are available in the Base CIP Contingency Wastewater Project (X14000500, Wastewater Revenue Bonds fund 6320) to transfer \$125,000 (fund 6320) to the Lampasas Avenue Sewer Replacement and Rehabilitation Project (X14120600) to compensate the contractor in accordance with Change Order No. 1 and to fund the additional staff services required to address the unforeseen conditions and to complete the Project.

Local Business Enterprise (LBE): The contract for this project was bid prior to establishment of the Local Business Enterprise (LBE) program.

Background

The original 6 inch vitrified clay pipe (VCP) in Lampasas Avenue was placed in the mid 1950's and had been the source of numerous maintenance problems. Records maintained by the City's Computer Maintenance Management System (CMMS) indicate there have been over 21 service calls and at least two sanitary sewer overflows (SSO's) reported along the subject pipe segment during the past five years. The primary source of problems was back-ups or blockages caused by the accumulation of grease along several severely sagged segments of the pipe. In addition, the pipe did not meet current City standards for diameter and a hydraulic analysis suggests that the original pipe did not have adequate capacity to convey flows from anticipated future infill and redevelopment.

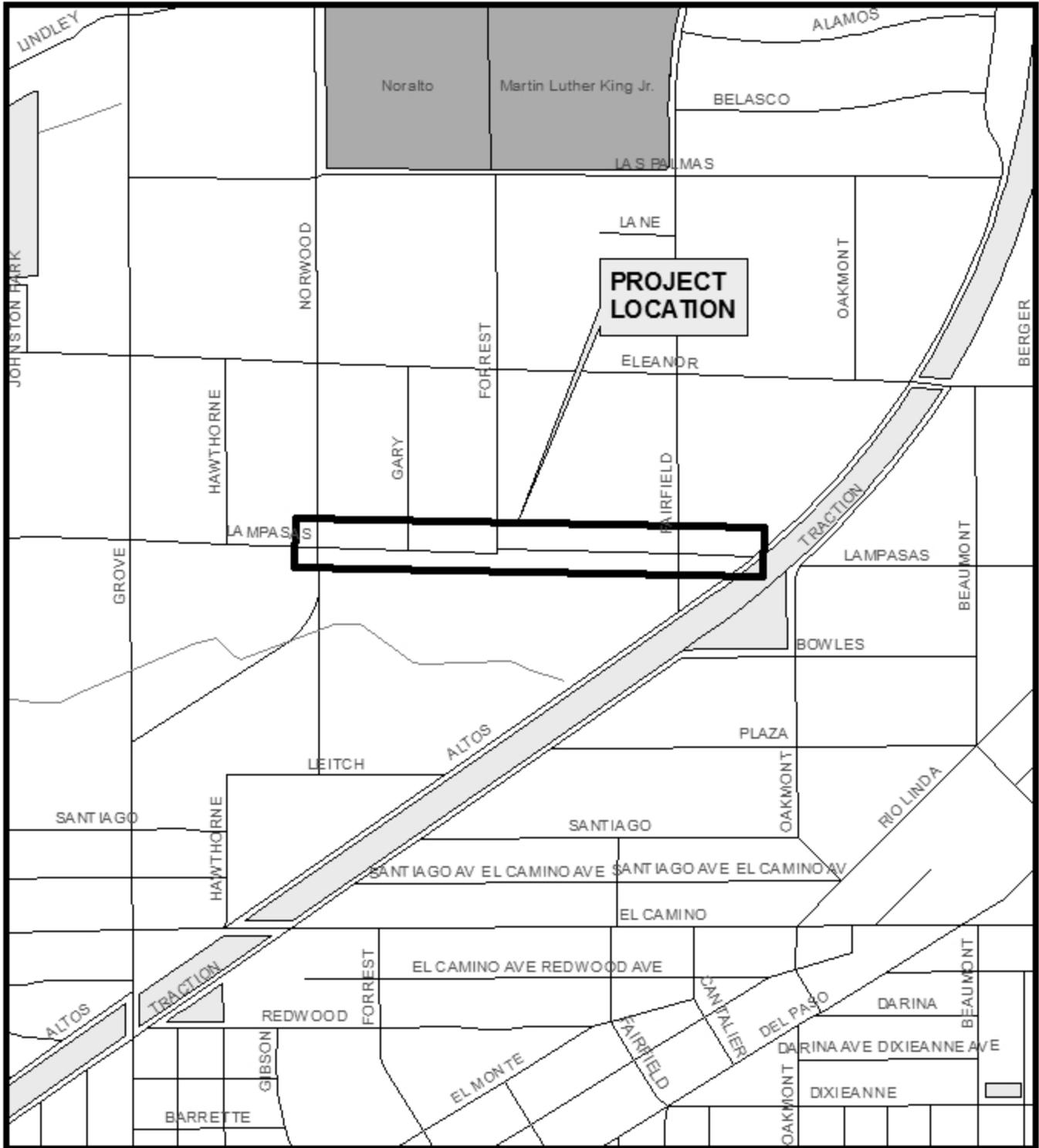
To address these issues, the Department of Utilities planned to replace and upsize approximately 1,610 feet of the sanitary sewer pipe with 8 to 10-inch diameter pipe, replace five existing manholes, construct two new manholes, and replace 20 live sewer services that did not meet current standards, along with various other items.

The project was awarded to Navajo Pipelines, Inc. for \$456,785 on September 18, 2013, with a Notice to Proceed issued on January 10, 2014.

The original sewer main alignment extended below and between 12 inch and 16 inch, high pressure PG&E gas mains on one side and a City storm drain main, a City water main, and a 3 inch PG&E gas main on the other side. During construction, the alignments for these mains were found to vary from locations previously found at potholes, sometimes encroaching directly adjacent to and crossing over the sewer main alignment. As a result, the sewer main had to be realigned in one segment, a segment of City water main needed to be relocated away from the sewer main alignment, and unstable/caving backfill above a segment of the City storm drain main had to be temporarily removed in order to create a safe trench condition. It was also discovered that 17 additional sewer services needed to be replaced because the pipe consisted of transite (asbestos laden pipe) does not meet current City standards. Change Order No. 1 compensates the contractor for delays and additional work caused by these unforeseen conditions.

The transfer of \$125,000 from Base CIP Contingency Wastewater Project (X14000500, fund 6320) to the Lampasas Avenue Sewer Replacement and Rehabilitation Project (X14120600) would allow payment of Change Order No. 1. In addition, the transfer would reimburse the project fund for the additional inspection, project management, and engineering costs incurred by City staff to address the project issues and complete the project.

LAMPASAS AVENUE SEWER REPLACEMENT ALTOS AVENUE TO NORWOOD AVENUE (PN: X14120600)



RESOLUTION NO.

Adopted by the Sacramento City Council

AUTHORIZING THE TRANSFER OF FUNDS FROM THE BASE CIP CONTINGENCY WASTEWATER PROJECT TO THE LAMPASAS AVENUE REPLACEMENT AND REHABILITATION PROJECT

BACKGROUND

- A. The Lampasas Avenue Sewer Replacement and Rehabilitation Project was awarded to Navajo Pipelines, Inc. for \$456,785 on September 18, 2013, with a Notice to Proceed issued on January 10, 2014.
- B. During construction, the alignments for adjacent existing gas, water, and storm drain mains were found to vary from locations previously found at potholes, sometimes encroaching directly adjacent to and crossing over the sewer main alignment. As a result, the sewer main had to be realigned in one segment, a segment of City water main needed to be relocated away from the sewer main alignment, and unstable/caving backfill above a segment of the City storm drain main had to be temporarily removed in order to create a safe trench condition. It was also discovered that 17 additional sewer services needed to be replaced because the pipe consisted of transite (asbestos laden pipe) that does not meet current City standards.
- C. The transfer of unobligated funds from the Base CIP Contingency Wastewater Project to the Lampasas Avenue Sewer Replacement and Rehabilitation Project would allow compensation to the contractor for delays and additional work caused by the unforeseen conditions (Change Order No. 1), and reimburse the project account for the additional inspection, project management, and engineering costs incurred by City staff to complete the Project.

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

1. The City Manager or City Manager's designee is authorized to transfer \$125,000 of Wastewater Revenue Bonds (fund 6320) from the Base CIP Contingency Wastewater Project (X14000500) to the Lampasas Avenue Sewer Replacement and Rehabilitation Project (X14120600).

CITY OF SACRAMENTO

CHANGE ORDER

Contract # & Date: 2013-1095 10/15/2013

Budget #: 6006-50000-51000000-X14120600

Purchase Order #: 0000022991

Change Order No: 1

Sacramento, California

May 14, 2014

TO: Navajo Pipelines, Inc, Contractor

CONTRACT FOR: Lampasas Avenue Sewer Replacement

(B14141321009)

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 and incorporated herein

The original contract sum was:	\$ 456,785.00
Net change by previous change orders:	\$ 0.00
The contract sum prior to this change order was:	\$ 456,785.00
The contract sum will be <i>increased</i> by this C.O:	\$ 106,922.68
New contract sum including all Change Orders:	\$ 563,707.68

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 ten (10) working 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:

Approved as to Form by:

Project Manager – Gary Gulseth Date

Joe Robinson, Senior Deputy City Attorney

Approved By:

Approved By:

Contractor – Navajo Pipelines, Inc. Date

Dave Brent, Director, Department of Utilities

Approved By:

Shirley Concolino – City Clerk Date

**CITY OF SACRAMENTO
CHANGE ORDER
EXHIBIT A**

Contract # & Date: 2013-1095 10/15/2013

Budget #: 6006-50000-51000000-X14120600

Purchase Order #: 0000022991

Change Order No: 1

- | | | |
|----|--|-------------------------------|
| 1) | Bid Item #3, "Potholes" increase quantity by 9 EA @ \$500/EA.
(Database Code: Unforeseen Conditions) | Total This Item: \$ 4,500.00 |
| 2) | Bid Item #6, "6-inch Sewer Pipe, to Place" increase quantity by 9 LF @ \$100/LF.
(Database Code: Unforeseen Conditions) | Total This Item: \$ 900.00 |
| 3) | Bid Item #5, "6-inch Sewer Pipe to Remove, 10-Inch Pipe to Place" increase quantity by 4 LF @ \$180/LF.
(Database Code: Unforeseen Conditions) | Total This Item: \$ 720.00 |
| 4) | Bid Item #8, "Manhole #3 to Construct" increase quantity by 1 EA @ \$5,800/EA.
(Database Code: Unforeseen Conditions) | Total This Item: \$ 5,800.00 |
| 5) | Bid Item #11, "Substandard Sewer Service, to Remove" increase quantity by 17 EA @ \$2,800/EA.
(Database Code: Unforeseen Conditions) | Total This Item: \$ 47,600.00 |
| 6) | Bid Item #13, "Sewer Pipeline, to Abandon" increase quantity by 2.5 YD @ \$1,500/YD.
(Database Code: Unforeseen Conditions) | Total This Item: \$ 3,750.00 |

Net Additions: \$ 63,270.00

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|-----|---|--------------------------------|
| 6) | Bid Item #7, "Manhole to Remove, Manhole #3 to Construct" decrease quantity by 1 EA @ \$7,200 EA.
(Database Code: Unforeseen Conditions) | Total This Item: \$ - 7,200.00 |
| 7) | Bid Item #12, "Pipe Ends, to Plug" decrease quantity by 13 EA @ \$300 EA.
(Database Code: Unforeseen Conditions) | Total This Item: \$ - 2,100.00 |
| 8) | Bid Item #14, "Substandard Water Service, to Replace" decrease quantity by 10 EA @ \$700 EA.
(Database Code: Unforeseen Conditions) | Total This Item: \$ - 7,000.00 |
| 9) | Bid Item #15, "Unsuitable Material, Removal and Replacement" decrease quantity by 40 TON @ \$50/TON.
(Database Code: Unforeseen Conditions) | Total This Item: \$ - 2,000.00 |
| 10) | Bid Item #17, "Concrete Closure Collar, to Construct" decrease quantity by 1 EA @ \$2,500 EA.
(Database Code: Unforeseen Conditions) | Total This Item: \$ - 2,500.0 |
| 11) | Bid Item #18, "Unmarked Utility Crossings" decrease quantity by 20 EA @ \$300 EA.
(Database Code: Unforeseen Conditions) | Total This Item: \$ - 6,000.0 |

Net Deductions: \$ -26,800.00

NOTE: Above items 1 through 12 are listed to reconcile the contract quantities with the actual amounts measured in the field.

Extra Work:

The CONTRACTOR has submitted claims requesting compensation for the performance of extra work identified as PCO#1 through PCO #10. After meeting, the CITY and CONTRACTOR agree to the following in order to settle and resolve these claims:

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|-----|---|-----------------------------------|
| 13) | PCO#1, "STA. 1+38.53" Chip away excess concrete from storm d rain manhole that encroached into sewer main trench excavation.
(Database Code: Unforeseen Conditions) | Total This Item: \$ 1,186.00 |
| 14) | PCO#2, "STA. 1+27 to 5+00" Removal of unknown crushed rock backfill above adjacent parallel storm drain main that was caving and causing an unsafe trench condition. Includes extra backfilling of the storm drain pipe and replacement of pavement above the storm drain pipe.
(Database Code: Unforeseen Conditions) | Total This Item: \$ 42,926.40 |
| 15) | PCO#3, "STA. 7+00 to 7+28" Realignment of sewer main to cross under storm drain in order to avoid conflict with 16" PG&E gas main.
(Database Code: Unforeseen Conditions) | Total This Item: \$ 7,064.91 |
| 16) | PCO#4, "STA. 7+81.01" CLSM backfill around storm drain and sewer main due to confined space.
(Database Code: Unforeseen Conditions) | Total This Item: \$ 940.60 |
| 17) | PCO#5, "Multiple Locations" Hand excavation around and under City water main and 12" and 16" PG&E gas mains due to safety issues.
(Database Code: Unforeseen Conditions) | Total This Item: \$ 11,545.65 |
| 18) | PCO#6, "STA. 7+32.59" Rehabilitation of substandard flowline in manhole.
(Database Code: Unforeseen Conditions) | Total This Item: \$ 3,000 |
| 19) | PCO#7, "STA. 7+87" Delay caused by conflict with unanticipated work performed by PG&E on nearby gas mains.
(Database Code: Unforeseen Conditions) | Total This Item: \$ 1,340.22 |
| 20) | PCO#8, Additional trench plate required to cover excavation and repair leaking corp stop on residential water service.
(Database Code: Unforeseen Conditions) | Total This Item: \$ 380.12 |
| 21) | PCO#9, Delays and lost efficiencies due to conflicts with unknown 10" abandoned concrete pipe in alignment.
(Database Code: Unforeseen Conditions) | Total This Item: \$ 918.82 |
| 22) | PCO#10, Purchase and installation of Derlin plastic between sewer main and gas mains as required in the field by PG&E.
(Database Code: Unforeseen Conditions) | Total This Item: \$ 1,149.96 |

Net Additions: \$ 70,452.68

Total This Change Order = \$ 106,922.68