Title: Change Order: Combined East Sacramento Phases 3, 4 & 5 Pipe Replacement/Water Meter Retrofit

Location: District 5

Recommendation: Pass a Motion: 1) authorizing the City Manager or the City Manager’s designee to execute Change Order No. 10 to City Agreement No. 2018-0747 with Navajo Pipelines, for an amount not-to-exceed $921,684, bringing the agreement’s total not-to-exceed amount to $28,719,900; and 2) resetting the City Manager’s authority to issue Change Orders for the Agreement.

Contact: Michelle Carrey, Supervising Engineer (916) 808-1438; Tony Bertrand, Engineering & Water Resources Division Manager, (916) 808-1461; Department of Utilities

Presenter: None

Attachments:
1-Description/Analysis
2-Change Order No. 10
Description/Analysis

Issue Detail: Staff recommends Council approve Change Order No. 10 with Navajo Pipelines for City Agreement No. 2018-0747, due to the failure of existing pipes (water main on Lagomarsino Way & 52nd Street) and easement issues (41st Street & 46th Street) that were discovered during construction. The change order extends quantities for the placement of additional water main required to replace the existing mains that serve the properties at these locations. Water services and water meter placement quantities are extended as well to account for the necessary construction at the properties on these streets.

Policy Considerations: This Change Order exceeds the City Manager’s approval authority and requires Council approval.

Economic Impacts: This Change Order is expected to create 3.69 total jobs (2.12 direct jobs and 1.57 jobs through indirect and induced activities) and create $569,080 in total economic output ($358,695 of direct output and another $210,385 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 actions to be approved would implement the Accelerated Water Meter Program (AWMP). The AWMP project components have been reviewed pursuant to the California Environmental Quality Act (CEQA) and Notices of Determination have been filed. On May 4, 2017, the City Council approved the environmental review for the project area included in the proposed change orders as a subsequent project under the Master Environmental Impact Report for the 2035 General Plan, pursuant to the CEQA. None of the circumstances identified in CEQA Guidelines section 15162 (substantial changes in the project or circumstances, receipt of new information of substantial importance, or mitigation measures that would not be implemented) are present. No additional environmental review is required.

Sustainability: The proposed project is consistent with the 2035 General Plan as it improves water conservation by improving awareness through metered billing with a monthly statement of water usage to customers. Water meter installation also furthers the City’s progress in

**Commission/Committee Action:** Not applicable.

**Rationale for Recommendation:** During water meter installation, a section of water main on Lagomarsino Way and 52nd Street failed. The water main is located in residential backyards and the failure caused damage to several yards.

While the main was originally scheduled to remain operational due to successful flow testing, the recent failure as well as two previous failures necessitate the replacement of the main. The replacement will provide a more reliable water system and allow for future maintenance to be completed without disruption to residents. Additional work related to the replacement of this main includes the reinstallation of water meters from back yards to front yards and service line connections to the new main.

The contractor will also move meters previously installed in areas without easements on 41st and 46th Street to the public right-of-way.

**Financial Considerations:** The original not-to-exceed amount of the contract was $27,011,820. The net change by previous change orders in the amount of $786,396, increased the contract not-to-exceed amount to $27,798,216. Proposed Change Order No. 10 in the amount of $921,684 would increase the contract not-to-exceed amount to $28,719,900. There are sufficient funds in the Residential Water Metering Program (Z14010000, Fund 6312) to execute this Change Order.

Funding for the AWMP may be provided in full or in part with the State Water Resources Control Board’s State Revolving Fund. California’s Drinking Water State Revolving Fund is capitalized through a variety of funding sources, including grants from the United States Environmental Protection Agency and proceeds from the State of California’s general obligation bonds.

There are no General Funds allocated or planned for this project.

**Local Business Enterprise (LBE):** Navajo Pipelines is an LBE and has committed to providing 20% local hire from the AWMP’s identified local hire areas that include the City’s priority zip codes and promise zone areas.
CITY OF SACRAMENTO  
CHANGE ORDER

Contract # & Date: 2018-0747  05/29/2018  

Purchase Order #: 0000044462  

Budget #: 472011-50000-6312-51000000-Z14010105-401  

Sacramento, California  

Change Order No: 10  

May 19, 2020

TO: Navajo Pipelines, Contractor

CONTRACT FOR: Combined East Sacramento Phases 3, 4 & 5 Pipe Replacement / Water Meter Retrofit  
(B18141321014, B18141321015)

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: $ 27,011,820.00

Net change by previous change orders: $ - 786,395.72

The contract sum prior to this change order was: $ 27,798,215.72

The contract sum will be increased by this Change Order: $ 921,683.96

New contract sum including all Change Orders: $ 28,719,899.68

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 unchanged 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 – Marc Lee  

Date

Approved By:  

Digitally signed by Gina Quinn  
Date: 2020.04.22 15:46:26  
07’00’

Contractor – Navajo Pipelines  

Date

Approved as to Form by:  

Michael Voss, Senior Deputy City Attorney

Approved By:  

William O. Busath, Director, Department of Utilities

Approved By:  

Mindy Cuppy – City Clerk
**CITY OF SACRAMENTO**  
**CHANGE ORDER**  
**EXHIBIT A**

**Contract # & Date:** 2018-0747  05/29/2018  
**Budget #:** 472011-50000-6312-51000000-Z14010105-401

**Purchase Order #:** 0000044462  
**Change Order No:** 10

**Balancing Change Order Items:**

1) **Potential Change Order – 053:** This change order increases various Bid Item quantities as follows:

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>ITEM DESCRIPTION</th>
<th>UNIT</th>
<th>UNIT PRICE</th>
<th>QUANTITY CHANGE</th>
<th>AMOUNT CHANGED</th>
</tr>
</thead>
<tbody>
<tr>
<td>B-3</td>
<td>Furnish 1-inch Water Service Meter Box and Lid – Traffic Rated, Sidewalk and Driveway</td>
<td>EA</td>
<td>$220.00</td>
<td>167</td>
<td>$36,740.00</td>
</tr>
<tr>
<td>F-1a</td>
<td>Furnish and Install Hybrid Water Service, Main to Rear of Property 60%</td>
<td>EA</td>
<td>$2,385.00</td>
<td>9</td>
<td>$21,465.00</td>
</tr>
<tr>
<td>F-1b</td>
<td>Furnish and Install Hybrid Water Service, Main to Rear of Property 40%</td>
<td>EA</td>
<td>$1,590.00</td>
<td>9</td>
<td>$14,310.00</td>
</tr>
<tr>
<td>F-2a</td>
<td>Furnish and Install 1.5-inch Water Service, Main to Rear of Property 60%</td>
<td>EA</td>
<td>$2,880.00</td>
<td>25</td>
<td>$72,000.00</td>
</tr>
<tr>
<td>F-2b</td>
<td>Furnish and Install 1.5-inch Water Service, Main to Rear of Property 40%</td>
<td>EA</td>
<td>$1,920.00</td>
<td>25</td>
<td>$48,000.00</td>
</tr>
<tr>
<td>G-1a</td>
<td>Furnish and Install Hybrid Water Service, Main to Front/Side of Property 60%</td>
<td>EA</td>
<td>$2,100.00</td>
<td>21</td>
<td>$44,100.00</td>
</tr>
<tr>
<td>G-1b</td>
<td>Furnish and Install Hybrid Water Service, Main to Front/Side of Property 40%</td>
<td>EA</td>
<td>$1,400.00</td>
<td>21</td>
<td>$29,400.00</td>
</tr>
<tr>
<td>G-2a</td>
<td>Furnish and Install 1.5-inch Water Service, Main to Front/Side of Property 60%</td>
<td>EA</td>
<td>$2,520.00</td>
<td>1</td>
<td>$2,520.00</td>
</tr>
<tr>
<td>G-2b</td>
<td>Furnish and Install 1.5-inch Water Service, Main to Front/Side of Property 40%</td>
<td>EA</td>
<td>$1,680.00</td>
<td>1</td>
<td>$1,680.00</td>
</tr>
<tr>
<td>H-1a</td>
<td>Furnish and Install 1-inch Water Service, Main to Existing Non-Backyard Service 60%</td>
<td>EA</td>
<td>$1,446.60</td>
<td>38</td>
<td>$54,970.80</td>
</tr>
<tr>
<td>H-1b</td>
<td>Furnish and Install 1-inch Water Service, Main to Existing Non-Backyard Service 40%</td>
<td>EA</td>
<td>$964.40</td>
<td>38</td>
<td>$36,647.20</td>
</tr>
<tr>
<td>J-1a</td>
<td>Furnish and Install Hybrid Water Service, Main to Rear of Property without New Meter 60%</td>
<td>EA</td>
<td>$2,296.31</td>
<td>5</td>
<td>$11,481.55</td>
</tr>
<tr>
<td>J-1b</td>
<td>Furnish and Install Hybrid Water Service, Main to Rear of Property without New Meter 40%</td>
<td>EA</td>
<td>$1,530.88</td>
<td>5</td>
<td>$7,654.40</td>
</tr>
<tr>
<td>J-4a</td>
<td>Furnish and Install Hybrid Water Service, Main to Front/Side of Property without New Meter 60%</td>
<td>EA</td>
<td>$2,011.31</td>
<td>1</td>
<td>$2,011.31</td>
</tr>
<tr>
<td>J-4b</td>
<td>Furnish and Install Hybrid Water Service, Main to Front/Side of Property without New Meter 40%</td>
<td>EA</td>
<td>$1,340.88</td>
<td>1</td>
<td>$1,340.88</td>
</tr>
<tr>
<td>L-1</td>
<td>Furnish and Install Additional 2-inch and Smaller Water Service Lateral Pipe</td>
<td>LF</td>
<td>$50.00</td>
<td>3,325</td>
<td>$166,250.00</td>
</tr>
<tr>
<td>L-3</td>
<td>Relocate Existing Meters (2-inch and smaller)</td>
<td>EA</td>
<td>$500.00</td>
<td>4</td>
<td>$2,000.00</td>
</tr>
<tr>
<td>L-4</td>
<td>Relocate Existing Backflow Device (2-inch and smaller)</td>
<td>EA</td>
<td>$1,800.00</td>
<td>1</td>
<td>$1,800.00</td>
</tr>
<tr>
<td>L-5</td>
<td>Abandon 2-inch and Smaller Water Service</td>
<td>EA</td>
<td>$533.00</td>
<td>166</td>
<td>$88,478.00</td>
</tr>
<tr>
<td>S-1</td>
<td>Furnish and Install 4-inch Water Service</td>
<td>LF</td>
<td>$190.00</td>
<td>200</td>
<td>$38,000.00</td>
</tr>
<tr>
<td>U-2</td>
<td>Furnish and Install 6-Inch Diameter Water Main</td>
<td>LF</td>
<td>$105.00</td>
<td>499</td>
<td>$52,395.00</td>
</tr>
<tr>
<td>U-3</td>
<td>Furnish and Install 8-Inch Diameter Water Main</td>
<td>LF</td>
<td>$127.00</td>
<td>609</td>
<td>$77,343.00</td>
</tr>
<tr>
<td>V-3</td>
<td>Furnish and Install 8-inch Diameter Ductile Iron Water Main</td>
<td>LF</td>
<td>$144.00</td>
<td>27</td>
<td>$3,888.00</td>
</tr>
<tr>
<td></td>
<td>Description</td>
<td>EA</td>
<td>Unit Price</td>
<td>Quantity</td>
<td>Total Price</td>
</tr>
<tr>
<td>---</td>
<td>------------------------------------------------</td>
<td>-----</td>
<td>------------</td>
<td>----------</td>
<td>-------------</td>
</tr>
<tr>
<td>W-2</td>
<td>Furnish and Install 6-inch Diameter Gate Valve</td>
<td>EA</td>
<td>$1,600.00</td>
<td>3</td>
<td>$4,800.00</td>
</tr>
<tr>
<td>W-3</td>
<td>Furnish and Install 8-inch Diameter Gate Valve</td>
<td>EA</td>
<td>$2,000.00</td>
<td>15</td>
<td>$30,000.00</td>
</tr>
<tr>
<td>X-2</td>
<td>Existing Fire Hydrant to Remove</td>
<td>EA</td>
<td>$677.00</td>
<td>17</td>
<td>$11,509.00</td>
</tr>
<tr>
<td>Z-21</td>
<td>Unsuitable Drain Laterals</td>
<td>EA</td>
<td>$910.66</td>
<td>1</td>
<td>$910.66</td>
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<tr>
<td></td>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>$861,694.80</strong></td>
</tr>
</tbody>
</table>

(Database Code: Design Error/Omission/Change)

**Total Balancing Change Order Items:** $861,694.80

**NOTE:** Above increases and decreases in the specified Bid Item unit quantities reconcile the original contract quantities with the actual unit quantities measured in the field.

Other Change Order Items:

1) **Potential Change Order – 007:** In accordance with Section 4-6 “Extra Work” of the Standard Specifications, the Contractor was directed to repair an unmarked 4-inch water main which was struck as the Contractor was working at Coloma Way between Pico and D Streets. The damage and repair took place on October 26, 2018. Later the same day, the Contractor was directed to excavate another section of the same water line so the City could make repairs from when the Contractor struck the unmarked waterline. Compensation for this work of $5,953.64 was determined based on a time and material analysis and includes all labor, equipment, materials, and markups for performing the work.

(Database Code: Unforeseen Conditions)

Total This Item: $5,953.64

2) **Potential Change Order – 023:** In accordance with Section 4-6 "Extra Work" of the Standard Specifications, the Contractor was directed to repair the 1-inch water service damaged on April 16, 2019. The water line was not marked and was hit near J Street and 43rd. The Contractor was excavating for the 12-inch DIP water main. Compensation of $2,720.24 has been determined using a time and materials analysis and includes full compensation to delays, clean up, all mark ups, profits, surcharges, taxes, and overhead costs.

(Database Code: City Mismarked Utility)

Total This Item: $2,720.24

3) **Potential Change Order – 029:** Contractor encountered an unmarked/unknown concrete structure on Folsom Boulevard.

In accordance with City of Sacramento Standard Specification Section 4-6 "Extra Work", the Contract was directed to perform extra work to remove a 2’ x 4’ concrete tunnel wall located beneath Folsom Blvd at STA 38+76. The exiting tunnel wall conflicted with the alignment of the new water main. The work was performed on June 11, 2019. Compensation of $8,197.84 has been determined on a time and materials basis and includes all mark ups, profits, surcharges, taxes, and overhead costs.

(Database Code: Unforeseen Conditions)

Total This Item: $8,197.84
4) **Potential Change Order – 041:** In accordance with City of Sacramento Standard Specification Section 4-6 "Extra Work", the Contract was directed to perform install additional main and services at 53rd and H Street after City crews discovered an abandoned main with unmetered services in an area near the Z105 work. This work was not part of the original contract. The Contractor has agreed to accept the Lump Sum compensation of $26,100.00. Compensation includes all labor, materials, mobilization, mark ups, profits, surcharges, taxes, and overhead costs.

   (Database Code: Owner Requested Change)  
   Total This Item: $26,100.00

5) **Potential Change Order – 042:** In accordance with Section 4-6 "Extra Work" the contractor was delayed on October 18, 2019 when the City cancelled the schedule hot tap. The Contractor will be compensated for the downtown related to the cancellation of a hot tap. Compensation of $1,682.33 has been determine based on a time and materials analysis and constitutes full compensation for the delay, clean up, all mark ups, profits, surcharges, taxes, and overhead costs.

   (Database Code: Owner Requested Change)  
   Total This Item: $1,682.33

6) **Potential Change Order – 045:** In Accordance with City Standard Specification Section 4-4 "Changes in the Work", the Contractor is hereby directed to remove contract plan sheets C15, 21, C32, and D06R1 (dated November 12, 2018) and replace with revised plan sheets C15R1, C21R1, C32R1, and D06R2 all dated November 15, 2019. The revised plan sheets detail the omission of the temporary bypass system and realignment of the main on 52nd Street between Folsom Blvd and M Street. Compensation will be determined by contract bid price of quantities placed and includes all mark ups, profits, surcharges, taxes, and overhead costs. The revised plan sheets are included in Attachment A.

   (Database Code: Owner Requested Change)  
   Total This Item: $0.00

7) **Potential Change Order – 047:** In accordance with Section 4-6 “Extra Work” of the Standard Specifications, the Contractor was directed to install the service at 4100 Folsom Blvd as a retrofit. The work for the service at 4100 Folsom was originally covered under bid time Z-20 “4100 Folsom Blvd – Construct 4-inch Water Service” with a unit price of $65,000. The original design called for the abandonment of the main and the installation of a new water service. However, the City elected to keep the main and retrofit the existing service. The Contractor performed the work January 6, 7, 8, and 23, 2020. Compensation of $13,825.02 has been determined based on a time and materials analysis and constitutes full compensation for the work, including all mark ups, profits, surcharges, taxes, and overhead costs. Bid Item Z-20 will be removed from the contract with a balancing change order.

   (Database Code: Design Error/Omission/Change)  
   Total This Item: $13,825.02

8) **Potential Change Order – 048:** In Accordance with City Standard Specification Section 4-4 "Changes in the Work", the Contractor is hereby directed to remove contract plan sheet C15R1 and replace with revised plan sheet C15R2 dated January 23, 2020. The revised plan sheet details modifications to the main line alignment due to utility conflicts at the intersection of M street and 47th. Compensation will be determined by contract bid price of quantities placed and includes all
mark ups, profits, surcharges, taxes, and overhead costs. Revised plan sheet C15R2 is included in Attachment B.

(Database Code: Design Error/Omission/Change)  Total This Item: $ 0.00

9) **Potential Change Order – 049:** In Accordance with City Standard Specification Section 4-4 "Changes in the Work", the Contractor is hereby directed to remove contract plan sheet C24R1 and replace with revised plan sheet C24R2 dated January 24, 2020. The revised plan sheet details modifications to the connection of 3230 Folsom Blvd to the new water main and for a hot tap connection to the UC Davis Medical clinic and other medical buildings at N Street and Folsom Blvd to avoid water shutdowns of those buildings. Compensation will be determined by contract bid price of quantities placed and includes all mark ups, profits, surcharges, taxes, and overhead costs.

(Database Code: Design Error/Omission/Change)  Total This Item: $ 0.00

10) **Potential Change Order – 051:** In accordance with Section 4-6 “Extra Work” of the Standard Specifications, the Contractor was directed to install cathodic protection at two locations on Alhambra Blvd; one near Carly Way and the other near O Street. The decision to add cathodic protection was made after observing the corrosion of the existing casing and mainline pipe in this area. The work was performed on January 31, 2020. Compensation of $1,510.09 has been determined based on a time and materials analysis and constitutes full compensation for the work, including all mark ups, profits, surcharges, taxes, and overhead costs.

(Database Code: Owner Requested Change)  Total This Item: $1,510.09

Total of Balancing Change Order Items: $ 861,694.80
Total of Other Change Order Items: $ 59,989.16

**Total This Change Order: $ 921,683.96**
Z14010105

CHANGE ORDER No: 10

Attachment A
Z14010105

CHANGE ORDER No: 10

Attachment B