Title: (Contract for Review) Combined Wastewater Treatment Plant Emergency Sewer Bypass Pipe Repair

Location: Citywide

Recommendation: Accept and publish for review a Resolution: 1) authorizing the City Manager or the City Manager’s designee to 1) execute Change Order No. 1 to City Agreement No. 2022-0110 with Steve P. Rados, Inc, for an amount not-to-exceed $2,808,534, bringing the agreement’s total not-to-exceed amount to $3,058,533; 2) resetting the City Manager’s authority to issue Change Orders for the Agreement; and 3) increase revenue and expenditures budgets in an amount not-to-exceed $2,500,000 in the Wastewater reimbursable fund (Fund 6206); and continue to June 28, 2022 for approval.

Contact: Tim Moresco, Project Manager, (916) 808-1432, tmoresco@cityofsacramento.org; Luz “Nina” Buelna, Supervising Engineer, (916) 808-4937, lbuelna@cityofsacramento.org; Tony Bertrand, Engineering & Water Resources Division Manager, (916) 808-1461, abertrand@cityofsacramento.org; Department of Utilities

Presenter: None

Attachments:
1-Description/Analysis
2-Change Order No. 1
3-Resolution
**Description/Analysis**

**Issue Detail:** Staff recommends Council approve Contract Change Order (CCO) No. 1 with Steve P. Rados, Inc. for the City Agreement No. 2022-0110, to provide funding for various items associated with the repairs of the failed bypass piping at the N-12 Structure at the City of Sacramento’s Combined Wastewater Treatment Plant (CWTP). This work includes, but is not limited to, exploratory underground investigations (potholing), the removal and replacement of valves at the CWTP and Sump 55, removal and replacement of the failed 48-inch bypass piping, dewatering, bypass pumping, trench backfill and compaction, and final asphalt paving. The initial emergency repair work was determined through the cost and percentage method as defined in Section 8-10 of the Standard Specifications; however, the remainder of the work is to be performed at a negotiated not-to-exceed lump sum price.

As a result of the proposed change order, $2,500,000 will need to be transferred into the project budget.

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

The Sacramento City Code Section 4.04.020 and Council Rules of Procedure (Chapter 7, Section E.2.d) mandate that unless waived by a 2/3 vote of the City Council, all labor agreements and all agreements greater than $1,000,000 shall be made available to the public at least ten (10) days prior to council action.

**Economic Impacts:** This change order is expected to create 11.23 total jobs (6.46 direct jobs and 4.77 jobs through indirect and induced activities) and create $1,734,087.41 in total economic output ($1,093,008.55 of direct output and another $641,078.86 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:**

**California Environmental Quality Act (CEQA):** This project is exempt from the California Environmental Quality Act (CEQA) under Section 15301 of the CEQA Guidelines governing the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing facilities. The activity consists of the restoration or
rehabilitation of deteriorated or damaged structures, facilities, or mechanical equipment to meet current standards of public health and safety.

**Sustainability:** The proposed project is consistent with the 2035 General Plan as it improves infrastructure reliability and addresses existing safety and health impacts.

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

**Rationale for Recommendation:** City Code Section 3.60.070 authorizes the City Manager to negotiate and contract for public projects without advertising for bids when public interest and necessity demand immediate action, repair, or replacement to safeguard life, health, or property, to permit the continued conduct of city operations or services, or to mitigate further damage.

An emergency contract was necessary in this instance to ensure that repairs were conducted in a timely manner to prevent the sinkhole from becoming a safety hazard, and to prevent a potential combined sewer overflow (CSO) into the City’s waterways. Steve P. Rados, Inc. was selected to perform the emergency repair work on a time and materials basis until the initial repair was completed. The remainder of the emergency construction repair was outlined by City staff and a lump sum price was developed. Steve P. Rados, Inc. performed much of the initial repair work and potholing on a time and materials basis but has since submitted a cost proposal to perform the remaining repair work, which was approved by City and Sacramento County Regional Sanitation District (Regional San) staff.

**Financial Considerations:** The total project costs including this change order is estimated at $3,500,000. Staff recommends increasing the revenue and expenditure budgets in the Combined Sewer System Capital Program (X14010000, Fund 6206) in the amount of $2.5 million. The additional budget adjustment and existing funding in Combined Sewer System Capital Program (X14010000, Fund 6206) will cover the cost of the project. The costs incurred for this project will be reimbursed by the Regional Sanitation District as the owners of the asset.

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

**Local Business Enterprise (LBE):** Steve P. Rados, Inc. is an LBE.

**Background:** The bypass pipe is located at the CWTP’s N12 Structure. It serves as a bypass for the fall structure that was installed on the 72-inch force main that directs wastewater flows to Regional San. The 72-inch force main and 48-inch bypass piping are owned by Regional San but operated and maintained by the City, per the latest agreement executed in 2013. The bypass pipe was installed in the 1980’s due to the odor issues that were caused by the fall structure.
During rain events in late December 2021, City staff noticed water flowing out from all of the cracks and joints in the asphalt near the N12 structure. Based on this observation city staff was concerned there was a leak in the pipe and a sinkhole had formed. The City requested that Steve P. Rados, Inc. perform excavation and underground exploration to identify the issue. The contractor was able to mobilize on December 27, 2021, and as they began the sawcut the asphalt, it was determined that there was a large void beneath the asphalt that was roughly 10 feet wide by 15 feet long by 12 feet deep. Excavation exposed, a large hole in the pipe, which caused the void.

The Contractor was able to install a blind flange on the bypass piping that directed flows back over the fall structure and isolated the bypass piping. Once that was done, a full inspection of the bypass piping determined that the entire bypass piping would need to be replaced. It was decided that, due to the poor condition of the remaining pipe, it would need replacement also.

The City and Regional San worked together to define a complete scope of work that would be required for the repair of the bypass pipeline. This complex proposed plan was provided to the contractor on March 24, 2022. The Contractor quickly responded that the lead times on many of the items, such as valves and piping, could be 14-18 weeks. To minimize the impacts to the schedule, the City and Regional San requested that the Contractor separate the pipe and valve cost proposal from the remaining cost proposal to expedite the approval process to allow the Contractor to purchase the items with long lead times. On April 7, 2022, the City received the cost proposal for the piping and valves for $178,675 and approved it on April 13, 2022. On April 15, 2022, the City received the remaining cost proposal for $2,519,000 and provided written approval to the contractor on May 11, 2022, to proceed with the work.

This contract change order No. 1 will provide compensation for just over two months of rental equipment and materials, as well as standby equipment that remained on-site in case of further failures, potholing, valve and piping cost proposal, and the remaining full cost proposal. An itemized list can be seen below:

<table>
<thead>
<tr>
<th>Change Order Item</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remaining Costs from T&amp;M Work 1/26/22 – 2/25/22</td>
<td>$ 651</td>
</tr>
<tr>
<td>T&amp;M Work 2/26/22 – 3/25/22</td>
<td>$ 84,143</td>
</tr>
<tr>
<td>T&amp;M Work 3/26/22 – 4/25/22</td>
<td>$ 25,552</td>
</tr>
<tr>
<td>Valve and Pipe Cost Proposal</td>
<td>$ 179,188</td>
</tr>
<tr>
<td>Complete Cost Proposal for N-12 Repairs</td>
<td>$ 2,519,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 2,808,534</strong></td>
</tr>
</tbody>
</table>

Regional San will reimburse the City for this work, based on the 2013 Operating Agreement.
CITY OF SACRAMENTO

CHANGE ORDER

Contract # & Date: 2022-0110 12/27/21

Purchase Order #: 0000065209

Budget #: 472011-50000-6206-51000000-X14010112

Change Order No: 001

Sacramento, California

June 28, 2022

TO: Steve P. Rados, Inc., Contractor

CONTRACT FOR: CWTP Emergency Sewer Bypass Pipe Repair

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: $249,999.00
Net change by previous change orders: $0.00
The contract sum prior to this change order was: $249,999.00
The contract sum will be increased by this Change Order: $2,808,534.35
New contract sum including all Change Orders: $3,058,533.35

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 extended to December 31, 2022 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 – Tim Moresco

Approved By:

Contractor – Steve P. Rados, Inc.

Approved as to Form by:

Michael Voss, Senior Deputy City Attorney

Approved By:

Hector Barron, Assistant City Manager, Department of Utilities

Approved By:

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

Contract # & Date: 2022-0110 12/27/21       Budget #: 472011-50000-6206-5100000-X14010112
Purchase Order #: 0000065209       Change Order No: 001

Change Order Items:

1. **Remaining Costs for Emergency T&M Work 1/26/22 – 2/25/22** – In accordance with section 8-10, “Cost and Percentage” of the Standard Specifications, the Contractor performed emergency work to repair the failed bypass piping at the City’s Combined Wastewater Treatment Plant (CWTP). This piping is owned by the Sacramento County Regional Sanitation District (Regional San) but operated and maintained by the City. After the initial repair, there were several equipment and materials that remained on site to ensure that the site remain safe, such as trench shoring equipment, trench plates, fencing, among other items. Many of these items have rental rates with suppliers and daily standby rates as determined by California Department of Transportation. The majority of the costs that occurred between January 26, 2022 and February 25, 2022 were captured in the second progress payment, dated April 29, 2022, however the total amount exceeded the original contract value of $249,999. The total cost of the work performed in that time was $25,981.10, however, only $25,330.03 could be paid prior to reaching the contract limit of $249,999. This item compensates the contractor for the remaining $651.07 on that invoice, which includes all labor, equipment, materials, overhead, and markup for performing this work.

(Database Code: Owner Unforeseen Conditions)  Total This Item: $651.07

2. **Costs for Emergency T&M Work 2/26/22 – 3/25/22** – In accordance with section 8-10, “Cost and Percentage” of the Standard Specifications, the Contractor submitted an invoice in the amount of $84,143.15 for the work performed between February 26, 2022, and March 25, 2022. This work includes the continued rental rates for the equipment on site at CWTP, as well as work to perform exploratory potholing operations at CWTP and Sump 55, and the installation of a brick bulkhead in the piping at the N12 structure. The potholing efforts at CWTP and Sump 55 were performed between the dates of March 14, 2022 and March 25, 2022 and were used to confirm critical piping and valving sizes and elevations to use for the remainder of the emergency repair work. The brick bulkhead was installed on the upstream side of the 42-inch ball valve at the N-12 Structure since it was noted that when the City’s Operations and Maintenance (O&M) staff would pump flows at a rate of more than the, already reduced, 30 million gallons per day, the ball valve would leak and begin to fill up the open trench where the failure occurred. This work was performed on March 22, 2022 and when installed, allowed O&M staff to return to normal operations. Total compensation for this work will be $84,143.15, which includes all labor, equipment, materials, overhead, and markup for performing this work.

(Database Code: Owner Requested Change)  Total This Item: $84,143.15

3. **Costs for Emergency T&M Work 3/26/22 – 4/25/22** – In accordance with section 8-10, “Cost and Percentage” of the Standard Specifications, the Contractor submitted an invoice in the amount of $25,552.11 for the rental items such as shoring, fencing, and plugs for the bypass piping, as well as the standby equipment for the period between March 26, 2022, and April 25, 2022. Total compensation of this item will be $25,552.11, which includes all labor, equipment, materials, overhead, and markup for performing this work.

Exhibit A, Page 1 of 2
4. **54-Inch HDPE Pipe and Various Valves** – At the request of the City, the Contractor prepared a partial cost proposal for the purchasing of the 54-inch High-Density Polyethylene (HDPE) pipe and many of the various valves required for the repairs at the N-12 Structure at the CWTP. On March 24, 2022, the City provided the Contractor with a detailed 15-phase scope of work to use for a cost proposal, which featured valve and pipe installations at multiple locations, including bypass pumping, excavation, shoring, and many other elements associated with the installation of valves and piping. Due to the complexity of the scope of work, the Contractor notified the City that it would take up to 4 weeks to provide a complete cost proposal for the work, however, stated that several of the valves and piping would have long lead times of up to 14 to 18 weeks. To minimize the impacts to the schedule, the City requested the Contractor separate the valve and piping into a separate proposal to release for purchase while the Contractor continued to work on the remaining items in the cost proposal. On April 13, 2022, the City approved the purchase of the various valves and 54-inch HDPE piping for a total of $178,675.01, which includes the material purchase and all overhead and markup associated with the material purchase.

5. **Cost Proposal for Complete Repairs at N-12** – On April 15, 2022, the Contractor submitted a cost proposal to perform the 15-phase repair work associated with the damaged bypass piping at the N-12 structure at the CWTP. This work includes the replacement of several valves at differing City/Regional San facilities, such as Sump S5, Sump 119, and CWTP to allow for isolation of the failed piping for the repair work. Each of these facilities has a direct impact on the ability to isolate the bypass piping at N-12 and currently, there are isolation valves at these facilities that do not function properly, so a portion of the repair work requires replacing these valves. Additional work includes the dewatering and bypass pumping of the existing 72-inch Interceptor, the excavation, shoring and bracing, and labor associated with replacing the failed piping, and all the work associated with returning each site to existing conditions. On May 11, 2022, the City and Regional San approved the cost proposal submitted by the Contractor. Total compensation for this work will be $2,519,000, which includes all labor, equipment, materials, overhead, and markup for performing this work.
RESOLUTION NO. 2022-

Adopted by the Sacramento City Council

June 28, 2022

Change Order: CWTP Emergency Sewer Bypass Pipe Repair

BACKGROUND

A. Steve P. Rados, Inc. was authorized to perform construction services for the CWTP Emergency Sewer Bypass Pipe Repair project by City Agreement No. 2022-0110. This emergency agreement was executed due to a pipe failure on critical City infrastructure that the City required emergency construction services to help remediate. Per City Code Section 3.60.070, the City Manager is required to present a report to Council describing the emergency, the actions taken, and the emergency contracts executed. This agreement was ratified by City Council on March 22, 2022, where it was noted that the City would present a future change order for the remaining work to complete the repair.

Change Order No. 1 provides for the labor, equipment, materials, overhead, and markup for all the work that the contractor has performed that exceeded the original contract value of $249,999, and the cost proposals for all the remaining work required for completing the repairs. This change order will be in the amount of $2,808,534 and will increase the total contract amount to $3,058,533.

B. With Change Order No. 1, the City’s approved budget of $1,000,000 will be exceeded. It is estimated that the project budget will require $2,500,000 in additional funds to successfully complete the project, on time, and in line with City Standards, which will increase the total budget value to $3,500,000.

C. A budget augmentation of $2,500,000 is required to provide sufficient funds to the CWTP Emergency Sewer Bypass Pipe Repair Project to accommodate the additional work necessary to complete this project (X14010000, Fund 6206). The costs incurred for this project will be reimbursed by Sacramento County Regional Sanitation District as the owners of the asset.

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

Section 1. The City Manager or the City Manager’s designee is authorized to execute Change Order No. 1 with Steve P. Rados, Inc, for an amount of $2,808,534.

Section 2. The City Manager or the City Manager’s designee is authorized to increase the revenue and expenditure budgets in the Combined Sewer System Capital
Program (X14010000, Fund 6206) in the amount of $2,500,000.

Adopted by the City of Sacramento City Council on June 28, 2022, by the following vote:

Ayes: 

Noes: 

Abstain: 

Absent: 

Attest:

The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Sacramento City Council.