



Agenda Date: 2/20/2019

Agenda Placement: 7C

Napa Sanitation District Board Agenda Letter

TO: Honorable Board of Directors

FROM: Timothy Healy - General Manager
NS-Technical Services/Engineer

REPORT BY: Simon Kobayashi, Associate Engineer - 707-258-6030

SUBJECT: Authorize Increase of Change Order Signing Authority of the General Manager for the Headworks Equipment Replacement Project (CIP 17726)

RECOMMENDATION

Authorize an increase of change order signing authority for the General Manager from \$196,040 (10% of original contract) to a maximum of \$548,912 (28% of original contract) for the Headworks Equipment Replacement Project (CIP 17726) for a potential total approved contract amount of \$2,509,312.

EXECUTIVE SUMMARY

Construction of the Headworks Equipment Replacement Project (CIP 17726) is currently in progress. After issuance of a contract to Syblon Reid Contractors, NapaSan identified that the primary influent pipe, which is connected to the headworks building, is in immediate need of rehabilitation. NapaSan requested a quote from Syblon Reid to rehabilitate the pipe under a contract change order. NapaSan's procurement rules allow the General Manager to approve contract change orders up to 10% of the original contract amount. The proposed contract change order to rehabilitate the primary influent pipe will exceed 10% of the original contract amount. Board approval is required to authorize the General Manager to sign contract change orders that exceed 10% of the original contract amount. Attached for reference is NapaSan Code Section 2.03.030 (Formal Bidding for Construction) with Subsection M (Change Orders) highlighted.

The primary influent pipe is a 36-inch pipe that conveys wastewater from the headworks building to the primary clarifiers. The pipe was installed in different phases between 1979 and 1998. The portion of the pipe between the headworks building and the gallery is reinforced concrete pipe that was installed in 1979. The downstream portion of the pipe within the gallery is welded steel pipe that was installed in 1998. The pipe does not have redundancy so repairs to the pipe require the treatment plant to be shut down.

The section of pipe within the gallery is visible and the exterior of the pipe can be inspected without excavating or

shutting down the treatment plant. In 2013, Staff observed that the exterior of the welded steel pipe was corroded at a high point due to hydrogen sulfide gas buildup from within the pipe. A contractor was hired in 2014 and successfully replaced the section of pipe that was in the most need of repair.

In 2018, the next section of corroded pipe within the gallery was replaced as part of the 2018 Treatment Plant Improvement Project (CIP 18736). This section of pipe is located immediately upstream from the portion replaced in 2014. While the treatment plant was shut down during the replacement of this pipe, Staff took the opportunity to inspect the section of buried pipe between headworks and the gallery. Since this section of pipe was built in 1979 and is exposed to the same corrosive environment, Staff found that the pipe is similarly deteriorated and in need of immediate repair. Due to the critical nature of this asset, Staff immediately hired Carollo Engineers to conduct an alternatives analysis and design a repair for the pipe. Trenchless rehabilitation using a cured-in-place pipe (CIPP) liner was chosen as the most cost-effective repair method.

The Headworks Equipment Replacement Project is currently under construction and is located immediately adjacent to the primary influent pipe. Since the headworks project is being constructed in the same area and requires plant shutdowns within the same timeframe necessary for the primary influent pipe, Staff requested a quote from Syblon Reid to perform the pipeline rehabilitation. The work must be performed within a specific timeframe (late April - early May) when plant influent flows are low and before peak recycled water season begins. Staff determined that if a competitive price could not be obtained from Syblon Reid then the project would be delayed by one year.

NapaSan is currently negotiating a price with Syblon Reid to perform the pipeline rehabilitation work. Staff expects the maximum change order price will be \$380,000, and negotiations will likely result in a decreased price. This maximum expected price equates to a unit cost of \$3,725 per linear foot of pipe. For comparison, the unit costs for the sections of pipe replaced in the gallery were \$6,250 and \$4,980 per linear foot. Additionally, NapaSan requested that the design engineer and the construction manager compare the quote to similar projects they have experienced. Both parties confirmed that the expected price is competitive and within the range they expected.

Staff expects the change order to perform the primary influent pipe rehabilitation to be approximately 18% of the original contract amount of \$1,960,400. Staff is requesting that the Board authorize the General Manager to approve 18% of the original contract amount for this change order, plus an additional 10% of the original contract amount for potential future change orders. Without the additional 10% signing authority, NapaSan's process to approve change orders could delay construction progress. The resulting total maximum contract amount for the project would be \$2,509,312, which is 28% greater than the original contract amount.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	The project is budgeted in the FY 2018-2019 and the proposed FY 2019-2020 Capital Improvement Program. There is sufficient budget in the approved and proposed capital plans to cover the proposed contract change order to rehabilitate the primary influent pipe.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	The proposed contract change order exceeds the General Manager's current signing authority. The General Manager cannot approve change orders above the signing authority without Board authorization. The proposed change order

	will rehabilitate a section of pipe that is in immediate need of repair.
Is the general fund affected?	Yes
Future fiscal impact:	There is enough budget in the proposed FY 2019-2020 Capital Improvement Program to cover the proposed contract change order to rehabilitate the primary influent pipe. If additional funds are needed to cover future change orders then savings will be used from other projects.
Consequences if not approved:	The primary influent pipe rehabilitation will be delayed until Spring 2020 and repaired as part of a separate project.
Additional Information:	

ENVIRONMENTAL IMPACT

None.

BACKGROUND AND DISCUSSION

None.

SUPPORTING DOCUMENTS

A . District Code Section 2.03.030

Napa Sanitation District: Approve

Reviewed By: Timothy Healy