



Agenda Date: 3/2/2022

Agenda Placement: 8B

Napa Sanitation District Board Agenda Letter

TO: Honorable Board of Directors

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

REPORT BY: Karl Ono, Associate Engineer - (707) 258-6013

SUBJECT: Authorize Increase of Change Order Signing Authority of the General Manager for the 2022 Collection System Rehabilitation Project (CIP 21701)

RECOMMENDATION

Authorize an increase of change order signing authority for the General Manager from \$325,991 (10% of original contract) to a maximum of \$3,400,000 (104% of original contract) for the 2022 Collection System Rehabilitation Project (CIP 21701) for a potential total approved contract amount of \$6,659,907.

EXECUTIVE SUMMARY

Construction of the 2022 Collection System Rehabilitation Project (CIP 21701) will begin during the spring of 2022. The construction contract was awarded to Southwest Pipeline and Trenchless Corporation on January 12, 2022 for the bid amount of \$3,259,907, which is well below the construction budget of \$6,700,000. Due to the competitive nature of the pricing and the remaining construction budget, staff engaged with the contractor to expand the scope of the project with high-priority work of a similar nature. Based on preliminary discussions, the contractor is interested in signing a change order that will add scope to the project at unit bid pricing and within the original project schedule. The proposed areas to be added include the following:

1. Kaiser Road \$160,000 (priority due to condition of existing pipe)
2. Waverly Street \$140,000 (priority due to condition of existing pipe and upcoming City of Napa paving project)
3. Salvador Basin \$2,900,000 (high priority for I&I based on 2021 Collection System Master Plan)

Based on the preliminary cost information that staff has received from the contractor, staff believes that all of this work can be performed within the original project.

NapaSan's procurement rules allow the General Manager to approve contract change orders up to \$325,991 which

is 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.

There have been no change orders on this project yet. If the Board is interested in using the remaining budget to add scope to this project, then staff is requesting that the Board authorize the General Manager to approve change orders up to \$3,400,000. If the Board authorizes this increase then staff will continue to negotiate with the contractor regarding the final change order cost. It is anticipated that the new change order signing authority will cover the additional scope and provide for sufficient funds to cover other changes that may arise within the project budget.

FISCAL & STRATEGIC PLAN IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	The project is budgeted in the Capital Improvement Program. The project budget is \$6,976,500. There is adequate budget to cover the costs of the potential changes.
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.
Is the general fund affected?	Yes
Future fiscal impact:	None.
Consequences if not approved:	The additional scope will not be added to the project.
Additional Information:	None.

ENVIRONMENTAL IMPACT

The original project scope was previously determined to be Categorical Exempt by the Board on November 3, 2021. A Notice of exemption was filed with the Napa County Recorder on December 16, 2021. Staff believes that the recommended additions to the project would also be considered categorically exempt under CEQA. If the Board approves the additional scope of work, staff will prepare a Notice of Exemption for consideration by the Board at a future meeting.

BACKGROUND AND DISCUSSION

None.

SUPPORTING DOCUMENTS

A . NapaSan Code Section 2.03.030

B . Presentation Slides

Napa Sanitation District: Approve

Reviewed By: Timothy Healy