



Agenda Date: 4/17/2019

Agenda Placement: 8A

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 Southeast Napa Sewer and Roadway Rehabilitation Project (CIP 18706)

RECOMMENDATION

Authorize an increase of change order signing authority for the General Manager from \$500,000 (maximum authorized by District Code) to a maximum of \$710,000 (approximately 10% of original contract) for the Southeast Napa Sewer and Roadway Rehabilitation Project (CIP 18706) for a potential total approved contract amount of \$7,748,772.

EXECUTIVE SUMMARY

Construction of the Southeast Napa Sewer and Roadway Rehabilitation Project (CIP 18706) is currently in progress. After issuance of a contract to Cratus Inc., NapaSan identified sewer mains in Trancas Street between State Highway 29 and Jefferson Street that are in immediate need of rehabilitation. This portion of Trancas Street is scheduled to be paved as part of a City of Napa Measure T project this summer. NapaSan requested a quote from Cratus 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 or \$500,000, whichever is less. The proposed contract change order to rehabilitate the sewer mains will not exceed the limits set forth in District Code. However, the cost of this proposed change order could limit NapaSan's ability to expediently approve future change orders, potentially causing delays to construction progress. Attached for reference is NapaSan Code Section 2.03.030 (Formal Bidding for Construction) with Subsection M (Change Orders) highlighted.

Due to the condition of the pipelines and the nature of repairs required, it is critical that the work be completed prior to paving. NapaSan staff continues to coordinate with City and County paving schedules to avoid the need for excavations within recently paved streets. However, this is only the second year of Measure T paving projects, and the 5-year plans were adopted in 2018. While NapaSan has been successful in adapting to the increased paving

production as issues are identified, our goal is to work further ahead in prioritizing, planning, and incorporating sewer rehabilitation work into the design of our annual projects in advance of scheduled paving work.

The sewer mains to be rehabilitated under the proposed change order were installed in 1965. In March of 2019, NapaSan Collections Staff performed CCTV inspections as night work due to traffic and safety concerns along this portion of Trancas Street, which is an arterial street that experiences high traffic volumes. The mains were found to be in a heavily deteriorated condition, to the point where partial collapses began to occur during pre-CCTV cleaning operations. It is anticipated that up to 10 excavations will be required to conduct spot repairs and remove obstructions prior to rehabilitating the sewer mains.

Since the Southeast Napa Sewer and Roadway Rehabilitation Project is currently under construction, and Cratus has mobilized equipment to Napa, Staff requested a quote from Cratus to perform the pipeline rehabilitation. The work must be performed at night and prior to commencement of the City's paving project. Staff determined that if a competitive price could not be obtained from Cratus then the project would need to be bid separately and could require that NapaSan request the City to delay their planned construction project.

NapaSan has negotiated unit pricing with Cratus Inc. to perform the pipeline rehabilitation and associated work. Actual quantities of work performed will be measured in the field for payment. Staff expects the change order price to be \$210,000, depending on the number of excavations required to rehabilitate the pipes. This expected price equates to a unit cost of \$100 per linear foot of sewer main. For comparison, the average unit costs from previous projects have ranged from \$90 to \$200 per linear foot. Additionally, NapaSan staff has prepared a detailed estimate to compare the quote to historical pricing results. The expected price is competitive and within the expected range, especially given the requirement for night work and additional traffic control.

Staff expects the change order to perform the additional sewer rehabilitation to be approximately 3% of the original contract amount of \$7,038,772, which is within the General Manager's signing authority of \$500,000. Staff is requesting that the Board authorize an increase in the General Manager's signing authority from \$500,000 to \$710,000, which maintains the General Manager's original signing authority of \$500,000 for future change orders. Without the additional signing authority, NapaSan's process to approve change orders could delay construction progress. The resulting total maximum contract amount for the project would be \$7,748,772, which is approximately 10% 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 additional sewer lines.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	The proposed change order will rehabilitate sections of pipe that are in immediate need of repair prior to the City of Napa's Measure T paving project.
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

additional sewer lines. If additional funds are needed to cover future change orders then savings will be used from other projects.

Consequences if not approved: The proposed contract change does not exceed the General Manager's current signing authority. However, because the General Manager cannot approve change orders exceeding a cumulative total of \$500,000 without Board authorization, the limited ability to expediently approve potential future change orders could result in construction delays.

Additional Information: None.

ENVIRONMENTAL IMPACT

The project was previously determined to be Categorical Exempt by the Board on October 17, 2018. A Notice of Exemption was filed with the Napa County Recorder on October 23, 2018.

BACKGROUND AND DISCUSSION

The Southeast Napa Sewer and Roadway Rehabilitation project was planned and designed in extensive coordination with City and County paving projects. Sewer mains in the project area were originally identified as in poor condition with high levels of inflow and infiltration (I/I) as a result of preliminary evaluations conducted in 2016. Initial coordination with City and County Public Works Departments began soon after, and culminated in a partnership that will rehabilitate both sewer and roadway infrastructure within one construction season. The project was designed during the summer of 2018, bid during the fall of 2018, and awarded to Cratus on December 19, 2018. The project remains on schedule to complete both sewer rehabilitation and roadway resurfacing components by the fall of 2019.

SUPPORTING DOCUMENTS

- A . District Code Section 2.03.030
- B . Presentation Slides

Napa Sanitation District: Approve

Reviewed By: Timothy Healy