



City of Palo Alto

City Council Staff Report

(ID # 6232)

Report Type: Consent Calendar

Meeting Date: 11/16/2015

Summary Title: Water Main Replacement Contract Amendment for Emergency Repairs

Title: Approval of Change Order Number Three to Contract C15157253 with Daleo, Inc. Extending the Contract Term to January 6, 2016 and Adding \$190,000 for a Total Not to Exceed Contract Amount of \$4,599,031, to Provide Emergency Water Main Replacement Work on Kingsley Avenue

From: City Manager

Lead Department: Utilities

Recommendation

Staff recommends that Council approve and authorize the City Manager or his designee to execute Change Order Number 3 (Attachment A) to Contract C15157253 with Daleo, Inc. ("Daleo") extending the term for an additional 30 days, until January 6, 2016, and adding \$190,000 for a total revised not to exceed amount of \$4,599,031, for emergency water main replacement services on Kingsley Avenue.

Background

Since 1986, the City has been replacing existing cast iron and asbestos concrete (ACP) water mains throughout the City as part of the adopted Water Main Replacement Program. Staff prioritizes replacement of water mains within the distribution system based on a risk of failure analysis which includes the age and condition of the pipe and historical number of main breaks.

Although the majority of the cast iron pipe has been replaced, there are still some small areas where it remains, mainly in the older parts of the City. These remaining pipes are scheduled for future replacement, but have not been replaced to date because the number of breaks in these areas is historically low. However, in some cases, pipe breaks can come on suddenly, requiring the City to analyze the reasons for failure and quickly determine if an emergency replacement is required.

On February 23, 2015, Council approved Water Main Replacement Project 25 (WMR 25) Contract C15157253 with Daleo (Staff Report 3801). Daleo was selected through a competitive bid process (IFB). The scope of the original contract was to replace mains on Bret Harte Street (Embarcadero to Seale), Guinda Street (Middlefield to Seale), Homer Avenue (Webster to Boyce), Mark Twain Street (Embarcadero to Seale), North California (Webster to Middlefield),

and Seale Avenue (Middlefield to Embarcadero). The term of the original contract was 180 days. Upon issuance of the Project's Notice to Proceed (NTP), the project started on June 6, 2015 and will expire on December 6, 2015.

Discussion

In 2014, while working on the block of Kingsley Avenue, between Alma Street and Emerson Street, as part of the Gas Main Replacement Project 19B/20/21, the contractor accidentally struck the existing 6-inch cast iron water main located adjacent to the gas main. Staff responded and repaired the leak. While the leak was being repaired, a second leak opened up a few feet away. The second leak was also repaired, but staff noted that the pipe was in poor condition and should be considered for replacement. This block of Kingsley was added to a water main replacement capital improvement project (CIP) that is scheduled for construction in FY 2017. In September 2015, Staff responded and conducted repairs for a third time to a main break on the same block of Kingsley Avenue. While making the repairs, additional leaks opened up, requiring multiple repairs over a two night period. Because the main is located in the middle of Kingsley Avenue, this work required that the street be temporarily closed to through traffic. This portion of Kingsley Avenue serves as both the entrance and exit route to and from Embarcadero Road from Alma Street. Not only were the adjacent residents impacted by the work, but the surrounding residential side streets were affected as well due to detoured traffic. Once repair work was completed, staff received a sample of the existing pipe and observed extensive corrosion

Due to the recent water main break events, the subsequent discovery of deteriorated 6-inch cast iron pipe along the entire block on Kingsley Avenue, between Alma Street and Emerson Street, and the total impacts on traffic in the vicinity, staff determined that emergency replacement of this portion of the main is needed as soon as possible to prevent additional main breaks and damage to public and private property, and to protect public health and safety in the area. Staff worked with the City's Purchasing Department and City Manager's Office, as required by Section 2.30.360 of the municipal code, to permit Daleo to complete this work on an emergency basis, without rebidding the project. Permitting Daleo to complete this work is also cost effective, as Daleo is already mobilized in the area as part of the WMR 25 project, Daleo agreed to add this work at a cost equivalent to their current contract prices, and the City currently does not have the labor resources available to do the work.

The scope of the additional work includes installation of approximately 541-feet of new 8-inch HDPE water main, including two (2) new valves on Kingsley Avenue. The contractor will also install thirteen (13) new 2-inch HDPE water service lines and one (1) new 6-inch fire hydrant, along with tying into the existing water distribution system at both Alma Street and Emerson Street and removing the existing 6-inch cast iron main. Daleo will perform the work in accordance with the existing project standards and specifications. Sections 6.5 (Adjustments to Contract Time) and 7.3 (Compensation for Extra or Deleted Work) of the current contract permit these changes to be accomplished via a change order executed by the City and Daleo, to include both the additional cost (\$190,000) and the additional time required to complete the

work (30 working days). The new contract end date is January 6, 2016. The remaining sections of 6-inch cast iron pipe on Kingsley Avenue are being analyzed and will most likely be included in an upcoming water main replacement project.

Resource Impact

Funds for this emergency repair work (\$190,000) are available in Water Main Replacement (WMR) Project 25 (WBS WS-11000-501) budget. The contractor has agreed to perform the additional work at a cost equal to the unit prices provided in their original WMR 25 bid.

Policy Implications

The approval of this Amendment is consistent with existing City policies including the Council approved Utilities Strategic Plan – Strategic Objectives: BP1. Ensure a reliable supply of utility resources, BP2. Operate the utility systems safely, and BP3. Replace infrastructure before the end of its useful life.

Environmental Review

This project is categorically exempt from California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations, section 15301 (b) repair, maintenance of existing facilities, and 15302 (c) replacement or reconstruction of existing facilities.

Attachments:

- Attachment A: WMR25_Change_Order_Kingsley (PDF)



ATTACHMENT A Contract Change Order

City of Palo Alto

Department: Utilities

Contract Number: C15157253 CO #3

Project Title:	Water Main Replacement Project 25 (WMR 25)	Project Number:	CIP WS-11000
Contract Number:	C15157253	Date:	10/8/2015
Contractor:	Daleo, Inc.	Change Order Number:	3

Description of Change Order	<p>Additional work to replace the existing water main on Kingsley Avenue as requested by the City. Staff recommends emergency replacement due to the condition of the pipe. The funds for the additional work is authorized by a Council approved amendment to the contract.</p>
Background Information:	<p>In 2014, there were two breaks on the block of Kingsley Avenue, between Alma Street and Emerson Street. As a result of the breaks, this portion of the water main was added to a water main replacement project scheduled for 2017. There have been two recent water main break on the same block of Kingsley Avenue. Staff received a sample of the existing 6-inch cast iron pipe and observed extensive corrosion.</p> <p>Daleo has agreed to add this block of Kingsley Avenue to WMR 25 project and will perform the work in accordance with the existing project specifications and all applicable bid prices.</p> <p>The City will add an additional 30 working days to the project duration of WMR 25.</p>
Change Order Justification:	<ol style="list-style-type: none"> 1. The existing cast iron water pipe has been found severely corroded and must be replaced as soon as possible in order to prevent additional breaks. 2. The City currently does not have the labor resources to replace this 500-foot long water main. 3. Daleo has agreed to perform the work using the current contract prices. The City will not have to devote additional resources soliciting additional bids.

Description of Work to be Performed:	<ol style="list-style-type: none"> 1. Install approximately 541 feet of new 8-inch HDPE water main including two (2) new valves on Kingsley Avenue. 2. Tie into the existing water distribution system at Alma Street and at Emerson Street and abandon the existing 6-inch CI water main. 3. Install 13 new 2" HDPE water services. 4. Install one (1) new 6-in fire hydrant. 5. Install one (1) new 6" line stopper (optional). 6. Exchange 13 water meters 7. Install new meter boxes and modify house side plumbing (time and materials as necessary) 8. 8% contingency for the additional work
Incorporates Field Order Number(s):	See attached Kingsley Avenue Plan.

Cost	Time
This change order will: <ul style="list-style-type: none"> <input type="checkbox"/> Not change cost <input checked="" type="checkbox"/> Increase cost by \$190,000 <input type="checkbox"/> Decrease cost by \$_____ 	This change order will: <ul style="list-style-type: none"> <input type="checkbox"/> Not change time <input checked="" type="checkbox"/> Increase time by <u>30</u> working days <input type="checkbox"/> Decrease time by _____ days
Note G/L account number (s) here (see G/L #'s below): Transfer \$190,000 from G/L 38790 to G/L 31651	The date of completion as of this change order is January 6, 2016
Basis for change in cost: <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Unit price(s) <input type="checkbox"/> Lump sum <input type="checkbox"/> Cost plus __15% <input type="checkbox"/> Other 	Additional cost: \$190,000.00 See attached itemized estimate

The undersigned Contractor approves this Change Order as to the changes, if any, in the contract price specified for each Line Item and as to the extension of time allowed, if any, for completion of the entire work on account of each Line Item, and agrees to furnish all labor and materials and perform all work necessary to complete any additional work specified therein, for the consideration stated therein. It is understood that the time and cost adjustments set forth in this Change Order include full compensation for any impacts or delays associated with the Line Items addressed in this Change Order.

Accepted for Contractor:	Accepted for City of Palo Alto:
By:	By:
Title:	Title:
Date:	Date:



Contract Change Order

City of Palo Alto

Department: Utilities

Contract Number: C15157253 CO #3

Summary of All Change Orders			
Change Order #1	Additional compensation for extra work in Homer/Seneca area (Part I)	\$	7,411.91
Change Order #2	Additional compensation for extra work in Homer/Seneca area (Part II)	\$	7,352.22
Change Order #3	Additional compensation for Kingsley water main replacement	\$	190,000.00
Total of All Change Orders			\$204,764.13

Summary of Amounts Payable Under Contract (For Internal Purposes Only)	
Amount of Original Contract	\$4,008,210.45
Amount of Current Change Order (CO#3)	\$190,000.00
Amount of all Previous Change Orders (CO#1-CO#2)	\$14,764.13
Net affect of all Change Orders	\$204,764.13
Revised Contract Total:	\$4,212,974.58
Remaining Contingency:	$\$400,821 - 7,411.91 - \$7,352.22 - \$190,000.00 = \$196,056.87^*$ *From executed Field Orders, Field Orders in progress, and unit price quantity changes we anticipate that we have a total of about \$114,589 remaining before this change order. We are asking for the additional \$190,000 to be amended to the contract prior to executing this change order.
Compare to:	
Original Contract Amount:	\$4,008,210.45
Add: Contingency, if any:	\$ 400,821.00
Total Authorized Funding:	\$4,409,031.50
<p>Change orders shall not be initiated for Council-approved contracts if the revised contract total exceeds the total authorized funding amount.</p>	

Document Preparation	
By :	An Le
Title :	Construction Engineer / acting
Date :	9/22/2015

City Approval	
By :	
Title :	
Date :	