

# City of Sacramento

## Legislation Text

---

**File #:** 2020-00225, **Version:** 1

---

**Title:**

**Change Order: Sacramento Water Treatment Plants Rehabilitation Project Phase 2 Improvements**

File ID: 2020-00225

**Location:** Districts 3 and 6

**Recommendation:**

Adopt a Resolution: 1) authorizing the City Manager or the City Manager's designee to execute Change Order No. 1 to City Agreement No. 2019-1570 with TNT Industrial Contractors, Inc. (TNT), for an amount not-to-exceed \$167,352, bringing the agreement's total not-to-exceed amount from \$1,301,738 to \$1,469,090; 2) resetting the City Manager's administrative authority to issue Change Orders for Agreement No. 2019-1570, and 3) transferring \$90,000 from the Base CIP Contingency - Water (Z14000700, Fund 6005) to the Treatment Plant Rehab Design (Z14006000, Fund 6005).

**Contact:** Megan Thomas, Project Manager (916) 808-1729; Michelle Carrey, Supervising Engineer (916) 808-1438; Tony Bertrand, Engineering & Water Resources Division Manager, (916) 808-1461; Department of Utilities

**Presenter:** None

**Attachments:**

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

**Description/Analysis**

**Issue Detail:** Staff recommends Council approve Change Order No. 1 with TNT for City Agreement No. 2019-1570, to install a structural wall to address unanticipated corrosion impacts to the structural integrity of existing bulkheads in the grit basin of the E. A. Fairbairn Water Treatment Plant (FWTP). The plant must be out of service to complete the work. As this work is similar in nature to other structural walls built as part of the existing contract, the proposed change order would ensure the repair is completed during the shutdown window without impacts to the City of Sacramento (City)

water system.

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

**Economic Impacts:** This Change Order is expected to create 0.67 total jobs (0.39 direct jobs and 0.28 jobs through indirect and induced activities) and create \$103,328.98 in total economic output (\$65,129.05 of direct output and another \$38,199.93 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:** The subject project was reviewed and determined to be categorically exempt from the California Environmental Quality Act (CEQA). The projects consist of the operation, repair, and maintenance of existing utility systems involving negligible expansion of capacity (CEQA Guidelines Section 15301(b)).

**Sustainability:** The proposed project is consistent with the 2035 General Plan as it improves infrastructure reliability at the two city water treatment plants, which will enhance their ability to produce high quality potable water efficiently and cost-effectively.

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

**Rationale for Recommendation:** Due to the location of this particular structural impact to the treatment plant, the treatment plant has to be out-of-service to complete the needed work. The annual scheduled maintenance of the plant is set to occur between February and April, providing a construction window to complete the work without impacting the City's drinking water system. The existing construction contract has similar work occurring under other work items which ensures that the contractor has the capability, certifications, materials, and equipment needed to complete the work identified in the change order. Since they are already doing similar work at the facility, costs associated with mobilization are minimal and the costs of construction are consistent with their low bid prices. To avoid any issues during high water demand periods that could result in shutting down the treatment plant, it is in the City's best interest to mitigate the structural issue during the upcoming FWTP shut down.

**Financial Considerations:** The original not-to-exceed amount of the contract was \$1,301,738.

Proposed Change Order No. 1 in the amount of \$167,352 would increase the contract not-to-exceed amount to \$1,469,090. Staff recommends transferring \$90,000 from the Base CIP Contingency - Water (Z14000700, Fund 6005) to the Treatment Plant Rehab Design (Z14006000, Fund 6005) to award the proposed Change Order and to cover estimated increased project costs through completion of the project.

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

**Local Business Enterprise (LBE):** TNT Industrial Contractors, Inc. is an LBE.

**Background:** In the winter of 2018-19, during the scheduled shutdown of the FWTP, the grit basin bulkheads were to be coated in order to prolong the life of the bulkheads. During the surface preparation of the steel, it was quickly determined that the material was in worse condition than anticipated. The larger of the bulkheads was fully replaced due to its condition as an emergency change order to City Agreement 2018-0672 FWTP Filters #9-16 Rehabilitation Project with Utility Service Co., Inc/Suez Advanced Solutions, the contractor at that time. A temporary repair was installed on the other bulkheads because a more permanent solution was not viable at the time.

The bulkheads that remained are imbedded in the river levee which eliminated the ability to replace the bulkheads because of the restriction of excavation around the levees during winter months. Excavation any other time would trigger costly environmental reviews and long delays associated with permitting, and shutdown of the plant during the high demand season which would impact the ability to supply drinking water to City customers. Since the bulkhead walls were originally designed to be temporary, a permanent structural repair on the interior of the grit basin would address these concerns and any potential concerns moving forward.

The temporary repair completed during the winter of 2018-19 was intended to minimize failures until the next shutdown when the permanent fix could be implemented. It was intended for this work to be included as part of this project in the original bid but was left off due to unforeseen delays in the design of the structural wall. The contractor was notified of the potential need to add this work into the contract at the beginning of the project. The design is now complete, and staff is proposing to include the work in the project by this change order.