



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: AUGUST 16, 2022
FROM: PUBLIC WORKS DEPARTMENT WARD: 2
**SUBJECT: BID NO. 7837 - MARTIN LUTHER KING BOULEVARD AND ALTA MESA DRIVE
SEWER IMPROVEMENTS – INCREASE IN CONSTRUCTION CHANGE ORDER
AUTHORITY TO G. HURTADO CONSTRUCTION, INC. FROM \$150,000 TO
\$393,835 (25%) FOR A TOTAL CONTRACT AMOUNT OF \$1,969,177**

ISSUE:

Approve an increase in change order authority for Bid No. 7837 regarding the Martin Luther King Boulevard and Alta Mesa Drive Sewer Improvements Project to G. Hurtado Construction, Inc. from \$150,000 to \$393,835 (25%) for a total contract amount of \$1,969,177.

RECOMMENDATION:

That the City Council approve an increase in change order authority for Bid No. 7837 regarding the Martin Luther King Boulevard and Alta Mesa Drive Sewer Improvements Project to G. Hurtado Construction, Inc., from \$150,000 to \$393,835 (25%) for a total contract amount of \$1,969,177.

BACKGROUND:

On August 17, 2021, the City Council awarded a contract in the amount of \$1,575,342 to G. Hurtado Construction, Inc., (G. Hurtado) to remove a pump station that is approximately 33 years old and does not meet current City standards for emergency storage, electrical control systems, and accessibility to pumps. The pump station will be replaced with a new gravity sewer system on Martin Luther King Boulevard from Chicago Avenue to Canyon Crest Drive and on Canyon Crest Drive from Martin Luther King Boulevard to University Drive. With the gravity sewer system in place and the demolition of the sewer pump station, sewer services will be more reliable and the risk of sewer backing up due to the pump station mechanical or electrical failure is eliminated.

At the time of award, the Public Works Department was authorized to negotiate change orders up to \$150,000 per Resolution No. 23256. The Public Works Department is requesting a \$243,835 increase in change order authority from \$150,000 to \$393,835 for a total contract amount of \$1,969,177 to address unanticipated underground utility conflicts encountered.

DISCUSSION:

During the installation of the sewer pipeline along Martin Luther King Boulevard, G. Hurtado encountered unknown and unmarked underground utility pipes. The unmarked utilities have required the contractor to halt construction to pothole the depth and alignment of the unmarked pipes, staff has had to redesign the sewer line alignment, and staff has directed the contractor to utilize jack and bore construction method which is significantly more expensive than open trench construction to avoid impacts to the conflicting utilities.

STRATEGIC PLAN ALIGNMENT:

This item contributes to **Strategic Priority 6 - Infrastructure, Mobility, and Connectivity** and **Goal 6.2** – Maintain, protect, and improve assets and infrastructure within the City’s built environment to ensure and enhance reliability, resiliency, sustainability, and facilitate connectivity.

This project aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – This Project is in the community’s best interest by ensuring reliable sewer services for the University Drive residents.
2. **Equity** – This Project will provide equitable distribution of sewer services to all residents in the University Drive.
3. **Fiscal Responsibility** – This Project will provide a net saving in maintenance and operation cost since it is cheaper to maintain sewer pipes than a sewer pump station.
4. **Innovation** – This Project exemplifies “out of the box” thinking by identify an alternative to provide gravity sewer services to an area that was previously served by a pump station.
5. **Sustainability & Resiliency** – This Project promotes growth by installing gravity sewer pipes to serve a neighborhood. Sewer pipes have more flexibility in accepting flow fluctuations throughout the day without much consequences compared to a pump station, which is more rigid and precise on how much flow can be received and pumped out at any given time.

FISCAL IMPACT:

The total fiscal impact of this action is \$243,835. This action increases the contract with G. Hurtado Construction, Inc. to \$1,969,177. Sufficient funds are budgeted and available in the Sewer Fund, Elimination of University Knolls Pump Station project account no. 9910223-440301 to fund the change order.

Prepared by:	Gilbert Hernandez, Public Works Director
Certified as to availability of funds:	Edward Enriquez, Interim Assistant City Manager/Chief Financial Officer/City Treasurer
Approved by:	Kris Martinez, Assistant City Manager
Approved as to form:	Phaedra A. Norton, City Attorney
Attachment:	Project Location Map