



# RIVERSIDE PUBLIC UTILITIES

## Board Memorandum

**BOARD OF PUBLIC UTILITIES**

**DATE:** MAY 9, 2016

**ITEM NO:** 3

File ID – 16-1399 – Consent

**SUBJECT:** CONSTRUCTION OF THE MAGNOLIA AVENUE TECHITE PIPE REPLACEMENT PROJECT - BID NO. RPU-7346 – AUTHORIZE A CHANGE ORDER IN THE AMOUNT OF \$167,000 THUS INCREASING WORK ORDER NO. 1406072 IN THE AMOUNT OF \$104,804

**ISSUE:**

The item for Board of Public Utilities consideration is approval of an increase to Work Order No. 1406072 in the amount of \$104,804 and the issuance of a change order in the amount of \$167,000 or 26.85% to the Trautwein Construction, Inc., construction contract for the Magnolia Avenue Techite Pipe Replacement Project - Bid No. RPU-7346.

**RECOMMENDATIONS:**

That the Board of Public Utilities:

1. Approve an increase of \$104,804 for Work Oder No. 1406072 for the Magnolia Avenue Techite Replacement Project – Bid No. RPU-7346; and
2. Authorize the issuance of a change order in the amount of \$167,000 (26.85%) to Trautwein Construction, Inc. of Riverside, California.

**BACKGROUND:**

In May 2014, Riverside Public Utilities' (RPU) field crews responded to a water leak on the existing fiberglass (known as techite) transmission main pipe that was constructed in the 1970's on Magnolia Avenue. Because the transmission main is essential in providing water to Kaiser Hospital and the surrounding region, RPU prioritized the replacement of this segment of techite pipe. On September 18, 2015, the Board of Public Utilities approved a project to replace 1,238 linear feet of 36-inch techite project with 36-inch cement mortar lined and coated steel pipe along the south bound lanes of Magnolia Avenue between Hole Avenue and Harrison Street, and approved a capital expenditure of \$906,000 for Work Order No. 1406072. The contract was awarded to Trautwein Construction, Inc.

During construction of the pipeline, the contractor encountered significantly different soil conditions than what was in the soil investigative report which required the use of wider trenches, additional trench shoring equipment, additional material and larger equipment. This extra effort required an additional five days of night time construction. The work was successfully and safely completed and the pipeline is now in service.

Public Contracting Code section 7104 provides that for construction contracts that include excavation, the contractor may be entitled to a change order for additional work caused by subsurface conditions that are of an unusual nature or are different from those conditions ordinarily encountered. Here, Trautwein provided proper notice of such unusual conditions - a man-made loose and clean well graded pea gravel

and sand material – and the City and Trautwein have agreed that Trautwein performed additional work in the amount of \$167,000 to address such unusual conditions.

**FISCAL IMPACT:**

The capital expenditure for the entire project, including the proposed change order to Trautwein, is \$1,010,804, which is \$104,804 over the original authorized expenditure as summarized in the following table:

<u>Description</u>	<u>Original Budget</u>	<u>Adjustment</u>	<u>Final Budget</u>
Design	\$48,843	\$0	\$48,843
Utility Potholing	\$23,000	\$0	\$23,000
Construction	\$621,961	\$0	\$621,961
Change Order Contingency	\$62,196	<b>\$104,804</b>	<b>\$167,000</b>
City Forces Construction Support	\$50,000	\$0	\$50,000
Construction Management	\$35,000	\$0	\$35,000
Inspection & Geotechnical	\$65,000	\$0	\$65,000
<b>Total</b>	<b>\$906,000</b>	<b>\$104,804</b>	<b>\$1,010,804</b>

Sufficient funds are available in the Public Utilities' Water Transmission Main Replacement Account No. 6230000-470735.

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 Approved by: Girish Balachandran, Public Utilities General Manager  
 Approved by: John A. Russo, City Manager  
 Approved as to form: Gary G. Geuss, City Attorney  
 Certifies availability of funds: Laura Chavez-Nomura, Public Utilities Assistant General Manager/Finance

Attachments: 1. Project Site Map  
 2. Presentation