

**CITY OF ALBANY  
CITY COUNCIL AGENDA  
STAFF REPORT**

Agenda Date: May 2, 2022  
Reviewed by: NA

**SUBJECT:** Annual Sewer Rehabilitation Program (CIP No. 32000)  
2021 Sanitary Sewer Rehabilitation Project – UPRR/USDA  
CIPP Lining (Contract No. C21-35)  
Approval of Contract Change Order No. 1

**REPORT BY:** Allison Carrillo, CIP Manager  
Mark Hurley, Public Works Director/City Engineer

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**SUMMARY**

The issue before the Council is to approve Contract Change Order No. 1 to the 2021 Sanitary Sewer Rehabilitation Project – UPRR/USDA CIPP Lining (Contract No. C21-35) with Southwest Pipelines and Trenchless Corporation (Southwest Pipelines) in the amount of \$754,531.20 for the construction of the 2022 CIPP Lining Sewer Maintenance Project.

**STAFF RECOMMENDATION**

That the Council adopt Resolution No. 2022-39, authorizing the City Manager to execute Contract Change Order No. 1 to Contract No. C21-35 in the not-to-exceed amount of \$754,531.20 using funds previously appropriated as part of the City's Annual Sanitary Sewer Rehabilitation Program (CIP No. 32000).

**BACKGROUND**

The City owns and maintains approximately 34 miles of sewer main and 14 miles of lower laterals. Sewer mains that have not yet been replaced or rehabilitated are predominantly made of vitrified clay with cement mortar joints. Most clay pipes in Albany's system are over 60 years old and are in a deteriorated condition. Root intrusion through the joints has caused fracturing and other pipe defects, which increase the risk of a major structural failure or blockage. Joint offsets allow inflow and infiltration into the local and regional sewer system and contribute to sanitary sewer overflows.

In 2014, the City entered into a Consent Decree agreement which requires rehabilitation of at least 5,706 linear feet of sewer main per year. Consequently, the City adopted the Sewer Master Plan which outlines the steps the City will take to comply with the Consent Decree.

In April 2018, communications with the US EPA indicated that the City was out of compliance with its annual requirements for sewer rehabilitation. Since that time, the City

has accelerated construction, rehabilitating approximately 45,684 linear feet of sewer main and satisfying consent decree compliance requirements as of FY2020/21.

On July 6, 2021, Council awarded Contract No. C21-35 to Southwest Pipelines to construct the 2021 Sanitary Sewer Rehabilitation Project (SSRP) – UPRR/USDA CIPP Lining (Resolution No. 2021-70). Sewer rehabilitation work for FY2021/22 is so far projected to total approximately 8400 linear feet total of rehabilitation. Completion of this work is anticipated to build approximately half of the goal of maintaining a one-year buffer to the US EPA consent decree annual compliance requirements.

Southwest Pipelines has substantially completed the cured-in-place pipe (CIPP) lining of existing 18” and 24” sewer main under Contract No. C21-35 with the exception of lawn restoration at the US Department of Agriculture. Lawn restoration has been deferred due to instability/wetness of the lawn during the rainy season and staff are currently working with USDA to coordinate the restoration for this summer. Construction of the CIPP lining was satisfactorily performed and work was well coordinated with USDA, UPRR, and EBMUD.

Design of the FY2021/2022 project limits by Nute Engineering under Contract No. C21-07 is complete and ready for construction. Included in the limits proposed for rehabilitation is the 2022 CIPP Lining Sewer Maintenance Project which encompasses sewers which are best suited to rehabilitation by means of cured-in-place pipe (CIPP) lining. Work includes the following limits:

- 24” sewer main traversing along the Albany-Berkeley city limit from Golden Gate Fields (GGF) and terminating at an EBMUD sewer interceptor manhole near Codornices Creek. Total length to be lined is 751 feet.
- 8” sewer main along Cleveland Avenue from an EBMUD sewer interceptor manhole at the Albany City Limit Line and extending southerly for approximately 922 feet.
- 12” and 24” sewer main along Pierce Street from an EBMUD sewer interceptor manhole near Cerrito Creek and extending southerly for approximately 1,447 feet.

Work at Golden Gate Fields is particularly complex due to the horse racing stables. With the recent March 2022 approval of a fifty-day racetrack and stables closure by the California Horse Racing Board for repairs to private onsite utility infrastructure, GGF will be removing horses temporarily from June 18<sup>th</sup> – August 8<sup>th</sup>, 2022.

Staff have identified this closure as an opportunity for cost and times savings and have been coordinating closely with GGF to best accommodate the CIPP lining project during this closure. GGF provided a 5-day window from July 5<sup>th</sup> – July 9<sup>th</sup>, 2022 for when the CIPP lining work can occur. Should the City be unable to meet the timeline noted above, the costs for rehabilitation of this pipe will be significantly higher due to the extra work to accommodate the requirements of working around an active racetrack and stable.

## **DISCUSSION**

With the success of the UPRR/USDA CIPP lining work and the need to ensure work occurs within the tight timeframe at GGF noted above, staff recommends that the CIIPP lining limits under the 2022 Annual Sanitary Sewer Rehabilitation Project be added to Southwest Pipeline's contract via change order (sole source award) rather than going through the standard bidding process. The City Charter and Municipal Code allow for this option when "strict compliance with competitive selection or bidding requirements would be unavailing, or would not produce an advantage, or would be undesirable, impractical, or impossible" (Municipal Code Section 13-20). In this instance, going through the standard bidding process would not produce an advantage for several key reasons.

1. The negotiated price for the change order is reflective of what would be achieved through bidding so there is no cost advantage. Staff requested Southwest Pipelines to submit a proposal for the lining of approximately 3,120 feet of sewer main as a proposed change order to their current contract, with the condition that work be completed within the timeline noted above. Staff reviewed Southwest Pipeline's proposal in detail and concluded that it is fair and competitive in the current construction market. CIPP lining unit costs increased by approximately 10% compared to the original contract unit costs, however, the increase is primarily related to:
  - a. Supply chain disruption and associated cost increases on materials used in the manufacturing and installation of the CIPP lining.
  - b. Work limits that require high amounts of coordination for relatively short lengths of lining, increasing the unit costs of work while taking similar amounts of time to complete as longer lengths.
2. CIPP lining work is highly specialized work and contractors qualified to do this type of project are limited. This approach will allow the overall construction schedule to be condensed by approximately four months by eliminating the bidding and award periods. Shortening the time is key in meeting the requirements for rehabilitation of the GGF sewer.

This proposal also includes a supplemental work item of \$45,000 for additional costs for the restoration of lawn at USDA. The work within USDA needed to occur prior to the rainy season to ensure that the reductions to infiltration were captured in the FY2021/22 monitoring reports. To minimize impacts, staff coordinated with USDA to turn off irrigation prior to start of work to minimize lawn impacts. Unfortunately, the historic rainfall event in October 2021 delayed the project and resulted in a waterlogged subgrade. Given the need to complete the work as soon as possible, allowing the lawn to dry off was not feasible.

## **ENVIRONMENTAL CLEARANCE**

The proposed work consists of the rehabilitation of an existing sewerage facility to meet current standards of public health and safety and is determined to be categorically exempt under CEQA.

## **SUSTAINABILITY CONSIDERATIONS**

The rehabilitation of sanitary sewer mains and lower laterals prevents sanitary overflows (SSO). SSOs can reach storm drains and the San Francisco Bay causing unhealthy bacteria and pollutant levels. Rehabilitating the City's sewer mains and lower laterals to reduce SSOs is a requirement of the US EPA Consent Decree.

## **EQUAL OPPORTUNITY AND NON-DISCRIMINATION**

The City of Albany promotes equal opportunity and non-discrimination on the basis of race, religion, creed, color, national origin, ancestry, sex, age, physical handicap, medical condition, marital status or other interests protected by state and federal law. The City strongly values contract participation by minority owned and women owned businesses. However, the City is unfortunately restricted in its ability to implement any form of preference program associated with those groups on City contracts based on limitations imposed under the California Constitution, which do not permit any public agency in the state to grant preferential treatment to any entity "on the basis of race, sex, color, ethnicity or national origin" in public contracting. (Cal. Const., art. I, § 31.) This constitutional restriction, which is commonly referred to as Proposition 209, was approved by voters in 1996. An effort to overturn this restriction placed on the November 2020 ballot (Proposition 16) was not approved by voters. The only exception to the bar under Proposition 209 is for federally funded projects where the City has historically and will continue to fully and actively promote participation by minority owned and women owned businesses.

## **FINANCIAL SUMMARY**

The current budget for the Annual Sewer Rehabilitation Program (CIP No. 32000) was appropriated by Council as part of the City's Capital Improvement Plan in November 2020 (Resolution 2020-108). As of April 22, 2022, the City has spent or encumbered a total of \$11.9 million of the \$13.3 million budget appropriated for this program for FY20 through FY22. This number was previously reported as \$12.3 million, which included a placeholder for part of the change order recommended for approval in this report.

The following table details the previously allocated budget and funding for the 2021 Sanitary Sewer Rehabilitation Project (SSRP) – UPRR/USDA CIPP Lining:

<b>Expenditures</b>	<b>Costs</b>
Professional Services	\$70,000
Construction/Improvements (C21-35)	\$407,840
Contingency	\$41,000
<b>Total Expenditures</b>	<b>\$518,840</b>
<b>Funding Sources</b>	<b>Budget</b>
Sewer Capital Project (4002)	\$518,840
<b>Total Funding Sources</b>	<b>\$518,840</b>

The change order would update Contract No. C21-35 as follows:

<b>Expenditures</b>	<b>Costs</b>
Base Contract	\$407,840
CCO #1 (2022 Project)	\$754,531.20
<b>C21-35 Total:</b>	<b>\$1,142,371.20</b>

The contract change order recommended for award in this Staff Report (Southwest Pipeline, C21-35, \$754,531.20) is within the remaining program budget and no new appropriations are recommended at this time.

### **Attachments**

1. Resolution No. 2022-39
2. Contract Change Order #1
3. Sanitary Sewer Rehabilitation Project Location Map for Change Order #1