



# City Council Report

**Date:** June 6, 2022  
**To:** City Council  
**Through:** Marc Heirshberg, Deputy City Manager  
**From:** Beth Huning, City Engineer  
Marc Ahlstrom, Assistant City Engineer  
**Subject:** Sewer Quarter Section Rehabilitation QS29A

Resolution to Increase an Individual Job Order from \$1,500,000 to \$2,000,000

City Project No. CP0956QS26  
Council District 4

## Purpose and Recommendation

The purpose of this report is to approve an increase to the JOC contract limit from \$1,500,000 to \$2,000,000 for an individual Job Order for Sewer Quarter Section Rehabilitation QS29A.

## Background

Portions of the sewer system within this quarter section date back to 1938. Multiple segments are damaged, deteriorated, and in need of repair. Replacement was considered, but deemed infeasible due to cost, construction duration, utility conflicts, and traffic concerns. The selected method for repair is rehabilitation through trenchless Cured-In-Place Pipe (CIPP), which utilizes a liner that extends pipe life in excess of 20-years.

Construction started in April 2022 under the existing contract valued at \$1,386,864.09. Since then, project costs have escalated due to inflation, and multiple unforeseen conditions (e.g., offset joints, root penetrations, non-conforming repairs). Consequently, the cost to complete the original scope of work will exceed the current \$1,500,000 limit; however, the improvements could be completed if the individual job order was increased to \$2,000,000.

On January 25, 2021, Council acted on a resolution that established a process to allow the maximum JOC work order limit to be increased from \$1,500,000 to \$2,000,000. This process requires any work order exceeding \$1,500,000 be presented to Council for approval by resolution. Staff is requesting this approval so construction can continue.

## **Discussion**

For many City projects, Job Order Contracting (JOC) is the most efficient and cost-effective method of project delivery. This resolution, which authorizes an increase in the maximum dollar amount for this specific job order, will allow construction to continue using the JOC method of project delivery.

Community Impact – The community will be impacted by noise and traffic. These impacts are short-term and are outweighed by the long-term benefits of this project, which include reliable sanitary sewer services for the foreseeable future.

## **Alternatives**

An alternative to increasing the maximum amount of this individual job order is to continue with construction until the current contract value is met. This is not recommended as portions of the sewer lines identified for rehabilitation with this project will remain “as-is” until a future project is created to complete the remaining work.

## **Fiscal Impact**

The total fiscal impact of the Sewer Quarter Section Rehabilitation QS29A project is \$2,000,000.

This project is funded by Utility Systems Revenue Obligations.

## **Coordinated With**

The Water Resources Department concurs with this recommendation.