



# CITY OF SAN MATEO

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## Agenda Report

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**TO:** City Council  
**FROM:** Drew Corbett, City Manager  
**PREPARED BY:** Public Works Department  
**MEETING DATE:** August 16, 2021  
**SUBJECT:**  
Underground Flow Equalization System – Contract Change Order

### RECOMMENDATION:

Approve Contract Change Order No. 4 to the construction services contract with Anderson Pacific Engineering Construction, Inc. for the Underground Flow Equalization System project in an amount not-to-exceed \$3,877,875; authorize an addition to the project's contingency fund in an amount not-to-exceed \$400,000; and authorize the Public Works Director to execute the change orders and issue task amendments within the contingency amount.

### BACKGROUND:

The City is currently under a Cease and Desist Order issued by the Regional Water Quality Control Board to eliminate sanitary sewer overflows and unauthorized discharges of untreated or partially treated wastewater to San Francisco Bay. The Basins 2 and 3 Collection System Improvements (Basins 2 and 3) increase capacity and improve flow management for wet weather flows. Currently, Basins 2 and 3 consists of eight construction packages:

- |   |                   |
|---|-------------------|
| 1. Glendora/Shasta Sewer Relief                   | Completed in 2019 |
| 2. 38th Avenue and 41st Avenue Lift Stations      | In construction   |
| 3. Dale Avenue Pump Station (DAPS)                | In construction   |
| 4. Underground Flow Equalization System (UFES)    | In construction   |
| 5. Delaware Street Sewer Relief (Delaware Relief) | In design         |
| 6. Pacific Boulevard Force Main                   | In construction   |
| 7. El Camino Real Sewer Relief, North Package     | In design         |
| 8. El Camino Real Sewer Relief, South Package     | In design         |

Planning and design of the Basins 2 and 3 packages began in 2016. The various packages were developed based on technical/hydraulic factors, contracting strategies, interagency negotiation schedules, community considerations, and coordination with other City capital improvement projects. Attachment 1 shows the current locations and alignments of packages 4 through 8, listed above, and how the improvements all interconnect.

The Underground Flow Equalization System (UFES) package consists of a concrete 5.3-million-gallon underground wastewater holding structure beneath the San Mateo County Event Center's parking lot and new sewers along Delaware Street and Saratoga Drive. Wet weather flows will be conveyed toward UFES through a new sewer that will be constructed as part of the Delaware Relief package.

On May 4, 2020, Council awarded the UFES construction contract to Anderson Pacific Engineering Construction, Inc. (APEC). With the UFES scope of work set, the sewer alignment for the Delaware Relief package work was undergoing revisions due to new utility conflicts associated with a Pacific Gas and Electric (PG&E) high pressure main on Delaware

Street. As part of the 25th Avenue Grade Separation project, a 24-inch high pressure gas line was relocated from the Joint Powers Board (JPB) right-of-way to Delaware Street, leaving inadequate room for the proposed sewer relief line intended to convey flow to UFES. Due to the utility conflicts and safety concerns, City staff engaged in negotiations for the placement of the sewer relief line within the JPB's right-of-way. After a multi-year effort, Council approved a Cooperative Working Amendment, License Agreement, and Service Agreement with the JPB to secure constructing and maintaining the relief sewer in the JPB right of way on June 7, 2021. The Delaware Relief package is in design and will be advertised for construction in the next few months.

Due to the changes in alignment with the Delaware Relief package and associated delays, staff is now recommending the approval of Change Order No. 4 to the UFES contract. This additional scope of work includes the construction of approximately 745 linear feet of a new 30-inch sewer on Delaware Street between 25th and 28th Avenues to connect the southern end of the current UFES package to the northern end of the future Delaware Relief package. The continuation of the sewer installation effort on Delaware Street by the UFES contractor allows for the following:

- **Reduced construction activities on Delaware Street:** As part of the UFES construction work, the contractor will excavate a pit at the intersection of Delaware Street and 25th Avenue to facilitate the trenchless micro-tunneling installation of the sewer from Saratoga Drive. With the additional work, the UFES contractor will be able to use this same pit and continue the micro-tunneling effort from 25<sup>th</sup> Avenue to 28<sup>th</sup> Avenue, avoiding additional excavation on Delaware Street and reducing the impacts to the community.
- **Shortened construction schedule:** Including the work in the UFES package will decrease the overall construction duration on Delaware Street by a few months. The UFES contractor will be able to continue micro-tunneling to 28<sup>th</sup> Avenue, reducing the time associated with additional excavation and mobilization required by another contractor. The shortened schedule will reduce the impacts to the community.
- **Consolidated Traffic Control:** During the design of the UFES package, the community expressed concerns regarding the City's management of the various construction projects in the area and requested a coordinated traffic control effort. Including the proposed scope of work into the UFES contract will allow the City to continue facilitating the review and oversight of a comprehensive UFES traffic control plan, rather than managing an additional traffic control plan implemented by another contractor.
- **Stakeholder Stability:** There are various activities along and adjacent to Delaware Street, including the Bay Meadows development construction, 25th Avenue Grade Separation, Event Center activities, and Nueva School activities. For the past year, representatives from these stakeholder groups have been coordinating closely. Adding the scope of work to the UFES contract will maintain consistency amongst the stakeholders coordinating activities along Delaware.
- **Contractor Familiarity and Efficiencies:** The UFES contractor has been working on the project for over a year and has gained familiarity with the site, conditions, and stakeholders. Efficiencies are gained from this familiarity.
- **Cost:** Since the original UFES Package was awarded in May 2020, market conditions have caused increases in materials, trucking costs, and procurement durations. The \$3,877,875 proposal is in alignment with the engineer's estimate of \$3,851,447. There is no impact to the overall budget since this improvement was budgeted as part of the larger Basins 2 & 3 Project scope.

Staff reviewed and negotiated the proposal and believes it to be reasonable for the scope of work and expertise required. The proposed change will improve coordination and reduce the impacts to the community.

**BUDGET IMPACT:**

The original contract amount was \$55,277,330 with an owner contingency of \$4,500,000. Since the notice to proceed in June 2020, three contract change orders totaling \$29,443.03 have been approved. This Contract Change Order No. 4 will bring the total contract amount to \$59,125,761.97 and will increase the contingency reserve by \$400,000 to a new balance

of \$4,870,556.97. Sufficient funds are available in the Basins 2 & 3 Project.

**ENVIRONMENTAL DETERMINATION:**

In accordance with CEQA Guidelines section 15080 through 15093, the City prepared an EIR for the UFES Project (SCH No. 2018092013) and on October 21, 2019 the City Council certified the Final EIR and adopt the requisite findings, statement of overriding considerations, and mitigation monitoring and reporting program.

**NOTICE PROVIDED**

All meeting noticing requirements were met.

**ATTACHMENTS**

Att 1 – Basins 2 & 3 Collection System Improvements Map

Att 2 – Contract Change Order

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