

TO: Andrew P. Powers, City Manager

FROM: Clifford G. Finley, Public Works Director

DATE: December 3, 2024

SUBJECT: Polybutylene Service Replacement (CI 5646) and Valve Replacement (CI 5648) Projects

RECOMMENDATION:

1. Approve Change Order No. 2 to Contract No. 13483-2023 with J. Vega Engineering, Inc. (Camarillo, CA), for the Polybutylene Service and Valve Replacements Projects (CI 5646 and CI 5648) in the amount of \$269,246.91, for a revised contract amount of \$1,908,173.53.
2. Authorize expense in the amount of \$203,200 from A/C #613-8030-682-8300 (CI 5648, Valve Replacement) for construction Change Order No. 2 to J. Vega Engineering, Inc. for the Valve Replacements.
3. Find that the Project is Categorically Exempt from the California Environmental Quality Act (CEQA) pursuant to 14 CCR 15302.

LEVINE ACT ITEM: Yes

FINANCIAL IMPACT:

No Additional Funding Requested. \$700,000 is available in the Adopted FY 2024-25 Water Capital Fund budget and \$145,224 in carryover, for a total budget of \$845,224 in Water Capital Fund for Valve Replacements (CI 5648).

BACKGROUND:

The City water system serves approximately 17,000 customers (38 percent of the City). Staff has identified the need to replace water service-line laterals that connect customers' meters to the City's water main, which was installed in the 1970s and constructed of polybutylene material. This material has a history of

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cracking, leaking, and overall unreliability – leading to water loss and service interruptions. Through a phased program, over 5,000 polybutylene laterals citywide need to be replaced with copper service-line laterals.

In previous capital projects that the City has completed, approximately 1,757 service-line laterals have been replaced. A total of 157 additional laterals were replaced by the current project (CI 5646).

Additionally, 68 existing water valves were replaced under CI 5648. These valves were over 35 years old, most could not be opened and closed fully, and in some cases were not operable. Replacement of the valves allows the mainline shutdowns required for replacing the service lines and, in emergency response, to isolate main breaks.

The projects include valves and service line replacements in the residential neighborhoods of the Northwood Parkway Tract (Attachment #1). To mitigate the 30-week lead time for procuring brass materials and expedite project completion, the City pre-purchased certain materials, including saddles, corporation stops, and angle meter stops, at a total cost of \$38,715.16. These materials were provided to the contractor during construction.

On September 12, 2023, City Council authorized advertising the Polybutylene Service and Valve Replacements Projects (CI 5646 and CI 5648) for construction bids. On November 14, 2023, City Council awarded a construction contract to J. Vega Engineering, Inc. (Camarillo, CA), in the amount of \$1,555,500, plus a total project contingency of \$155,600.

Since the start of construction in January 2024, one change order was executed on November 14, 2024, for the Polybutylene Service Replacements (CI 5646), resulting in a net cost increase of \$83,426.62 in the contract amount. The change order covered costs associated with additional work requested by the City. This included additional service line replacements and installation of cathodic protection and meter boxes and required open-cut (excavation) to replace several service lines due to changed field conditions. The change order also included credits back to the City due to bid item quantity adjustments.

DISCUSSION/ANALYSIS:

The project is now fully complete, and the polybutylene service lines and valves were successfully installed and are fully operational. Change Order No. 2 (Attachment #2) in the amount of \$269,246.91 is the final change order and will increase the contract amount to \$1,908,173.53. This change order provides for the costs related to the installation of additional valves and assembly modifications requested by the City, including replacement of valves that were found to be at

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least partially inoperable as a result of excessive corrosion. This change order also provides for costs associated with extra work arising from unforeseen field conditions, including deeper than expected trench excavations, clustering of existing valves limiting the access for replacements, encountering utilities not depicted on as-builts, rock excavation in some trenches, and additional work required to complete the project that was not included in the original contract.

The overall summary of the construction costs are as follows:

Polybutylene Laterals (CI 5646):

City-Purchased Materials (completed)	\$ 38,715.16
Construction Contract (completed)	\$ 893,950.00
Change Order No.1 (completed)	\$ 83,426.62
	\$1,016,091.78

Valve Replacement (CI 5648)

Construction Contract (completed)	\$ 661,550.00
Change Order No.2 (this action)	\$ 269,246.91
	\$ 930,796.91

Total Project Cost	\$1,946,888.69
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The Polybutylene Service and Valve Replacements Projects are categorically exempt from CEQA per Section 15302-c (replacement/reconstruction of an existing facility).

Community Outreach: A public outreach plan for the project was implemented, focusing on residents located near the project area and the general public. Project updates were provided on the City's website to inform and engage the community. Additionally, prior to the start of construction, notices were mailed to all property owners in the project area, with special notices delivered to individual properties affected by specific project activities.

These projects meet City Council's Top Ten Priorities #7, "Public Works + Infrastructure Investments."

CIP PROJECT PRIORITY (as outlined in FY 2023-24 and FY 2024-25 CIP Program Budget)

Priority Two – Necessary, but not essential, and there could be consequences if deferred.

LEVINE ACT (California Government Code § 84308):

This item is subject to the Levine Act. City Councilmembers who have received a campaign contribution of more than \$250 (aggregated) within the preceding 12 months from a party or their agent/representative, or a financially-interested participant involved in this proceeding may do either of the following: (1) disclose the contribution on the record and recuse themselves from this proceeding; or if applicable (2) return the portion of the contribution that exceeds \$250 within 30 days from the time the official knew or should have known about the contribution, and participate in the proceeding.

All parties and their agents/representatives must disclose on the record of this proceeding any aggregated contribution of more than \$250 made to any Councilmember within the preceding 12 months. Councilmembers are prohibited from accepting, soliciting, or directing a campaign contribution of more than \$250 (aggregated) from a party, their agent/representative, or a financially-interested participant during a proceeding and for 12 months following the date a final decision is made. In addition, a party, their agent/representative, or a financially-interested participant is prohibited from contributing more than \$250 (aggregated) to a Councilmember during a proceeding and for 12 months following the date a final decision is made.

COUNCIL GOAL COMPLIANCE:

Meets the following City Council goals:

C. Operate City government in a fiscally and managerially responsible and prudent manner to ensure that the City of Thousand Oaks remains one of California's most desirable places to live, work, visit, recreate, and raise a family.

F. Provide and enhance essential infrastructure to ensure that the goals and policies of the Thousand Oaks General Plan are carried out and the City retains its role and reputation as a leader in protecting the environment and preserving limited natural resources.

PREPARED BY: Roner DelCastillo, Associate Engineer

Attachments:

Attachment #1 – Vicinity and Location Maps

Attachment #2 – Change Order No. 2 to Contract No. 13483-2023

Attachment #3 – Levine Act disclosure form by J. Vega Engineering, Inc.