



**CITY OF SALINAS
COUNCIL STAFF REPORT**

DATE: MAY 26, 2026
DEPARTMENT: PUBLIC WORKS
FROM: DAVID JACOBS, PE, LS, DIRECTOR
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TITLE: SANITARY SEWER SPOT REPAIR AND IMPROVEMENTS
CIP NO. 9010

RECOMMENDED MOTION:

A motion to approve a Resolution:

- 1) Transferring \$217,100 from Sewer Fund Balance (Fund 6400) to CIP No. 9010 (Sanitary Sewer Spot Repair and Improvements); and
- 2) Increasing the project contingency in the amount of \$217,100 for the Sanitary Sewer Spot Repair and Improvements; CIP No. 9010 for a total construction contingency of \$719,926 (21.5%).

EXECUTIVE SUMMARY:

The Sanitary Sewer Spot Repair and Improvements; CIP No. 9010 is one of the identified projects listed as part of the “Investments in Water and Sewer” funded with the American Rescue Plan Act (ARPA) of 2021 Funds. The project was awarded to Sierra Construction & Excavation, Inc. on August 20, 2024 in the amount of \$3,352,170. Construction started on December 2, 2024, and will be completed this month.

Three contract change orders (CCOs) have been issued for the project and additional CCOs are pending for an estimated total CCOs amount of \$719,926. The approved contingency for this project is \$502,826 (Resolution No. 23073). Therefore, staff recommend an increase to the project contingency in the amount of \$217,100 for a total construction contingency of \$719,926 (21.48%).

BACKGROUND:

The Sanitary Sewer Spot Repair and Improvements; CIP No. 9010 is one of the identified projects listed as part of the “Investments in Water and Sewer” funded with the American Rescue Plan Act (ARPA) of 2021 Funds. The list of projects included in this Sanitary Sewer Spot Repair and Improvements project is from the 2023 Sanitary Sewer Master Plan (SSMP). The list is a result of findings from the 2017 Closed Circuit Television (CCTV) for pipeline video inspection, and CCTV inspections performed by maintenance staff. Staff prioritized the CIP list according to the

pipe and sanitary sewer facility conditions. Table 1 provides the CIP number from the SSMP and locations included in this Sanitary Sewer Spot Repair and Improvements Project:

Table 1. CIP No. – Street Name and Location

Base Bid:
CIP 7 – Davis Rd/Market St Overpass Bunker Repair
CIP 13 – Riker Street Sewer Main Repair
CIP 14B – Villa Street Sewer Main Repair
CIP 14C – Capitol Street Sewer Main Repair
CIP 17 – Donner Way Sewer Main Repair
CIP 18 – San Miguel Avenue Sewer Main Repair
Additive Bid Item A:
CIP 12B – Mae Avenue Sewer Main Repair (not awarded due to insufficient funds)
Additive Bid Item B:
CIP 12A – Del Monte Avenue Sewer Main Repair
Additive Bid Item C:
CIP 16 – Highway 101/N. Main Street Overpass Bunker Repair

The scope of work included: traffic control; asphalt concrete and/or concrete pavement removal and disposal; removal of existing sanitary sewer main; abandonment of existing sanitary sewer main; installation of sanitary sewer main; removal, abandonment, replacement and/or installation of sanitary sewer manholes (standard and drop); reconnection of existing sanitary sewer laterals to new sanitary sewer main; sewer bypassing; replacement of vault doors; trench restorations; and all other related work required to provide sanitary sewer repairs and improvements as described and specified on the plans and project specifications.

On August 20, 2024, the project was awarded to Sierra Construction & Excavation, Inc. in the amount of \$3,352,170.00 (Resolution No. 23073). Construction started on December 2, 2024, and will be completed this month.

Several issues have been encountered after the start of construction that resulted in Contract Change Orders (CCOs). Table 2 is a summary of these CCOs.

Table 2. Change Order Summary

CCO Number	Description	Amount
1	Clarification to the sewer lateral reconnection requirement.	\$0
2	Removal/replacement of additional 160 LF of deteriorated pipe along Riker St (south towards Lang St), and removal/replacement of brick manholes (2 each), including reconnection of existing sewer laterals (8 each) to the new sewer pipe.	\$245,800.00
3	Extra work due to cave-ins while trenching at Donner Way and Villa St, utility conflicts at Capitol St, sink holes at Donner Way and Villa St, and emergency work at Park St.	\$194,057.13
	Total	\$439,857.13

In addition to CCOs 1-3, additional extra work was authorized pursuant to Salinas Municipal Code Section 12-03.08. – Emergency Purchases, “*In the case of emergency affecting the public's health and safety, the Purchasing Agent and City Manager are authorized to purchase supplies, materials, equipment, or contractual services required for such emergency, without regard to amount limitation or prior approval of the City Council*”. The extra work included the removal/replacement of additional 310 linear feet of deteriorated pipe with sag at Riker Street (north towards Clay Street), including reconnection of existing sewer laterals (10 each) to the new sewer pipe; repair of a broken 10-inch pipe at the intersection of Clay Street and Lincoln Avenue; and repair of a sinkhole at Eisenhower Street. The extra work was authorized to avoid potential health and safety hazards and potential liability for the City if immediate action was not taken. Sierra Construction was selected based on their immediate availability and expertise, and current contract with the City.

Overages of quantities for Bid Item #6 (Concrete Pavement Removal and Disposal) and Bid Item #D1 (Concrete Pavement Replacement) are also still outstanding. Final invoices for all extra work have not been received yet but the total extra work including the overages is estimated at \$280,000. The approved contingency for this project is \$502,826 (15%). With the payment of CCOs 2 and 3, the remaining project contingency is currently \$62,968. Therefore, staff is requesting an increase to the project contingency in the amount of \$217,100 for a total construction contingency of \$719,926 (21.48%).

CEQA CONSIDERATION:

This project has been reviewed in accordance with the California Environmental Quality Act (CEQA) Guidelines and has been determined to be Categorically Exempt in accordance with Section 15301 (Class 1) because the project involves the maintenance of existing public facilities/utilities with no expansion of use.

CALIFORNIA GOVERNMENT CODE §84308 APPLIES:

No. This project was advertised and competitively bid.

STRATEGIC PLAN INITIATIVE:

The project addresses the City Council’s Strategic Goals of *Infrastructure, Public Safety, and Economic Development* by repairing/improving segments of the sanitary sewer pipeline system at various locations throughout the city.

DEPARTMENTAL COORDINATION:

The process of administering this project involves Public Works, Finance, and Legal Departments. Public Works Department coordinated the preparation of the project plans, specifications, and estimates, and also administered the bidding/advertisement process, and manages/performs contract administration, and inspection of this project during construction. Finance Department manages the proper disbursement of funds, and Legal Department reviews pertinent documents/contracts to ensure compliance with applicable laws and regulations. Thus, staff from these Departments are involved with the development and execution of this project.

FISCAL AND SUSTAINABILITY IMPACT:

There is no impact to the General Fund for this project. The additional fund requested is from Sewer Fund Balance (Fund 6400).

Fund	General Ledger Number (Operating/CIP)	General Ledger Account Name	Remaining Budget Appropriation	Amount Requested
6400	50.9010-66.4000	Sewer	\$0	\$217,100

ATTACHMENT:

Resolution