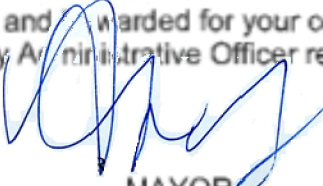


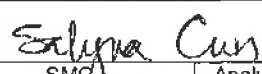
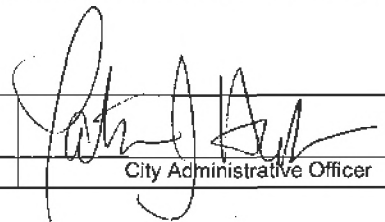
<b>TRANSMITTAL</b>		0150-10045-0001
TO The Council	DATE 4/20/16	COUNCIL FILE NO.
FROM The Mayor		COUNCIL DISTRICT All
<p style="text-align: center;"><b>Authority for the Board of Public Works to award and execute Amendment No. 1 to Personal Services Contracts, Contract No. 123188 with Hoffman Southwest Corporation, dba Professional Pipe Services and Contract No. 123407 with National Plant Services, Inc., for sewer condition assessment using closed circuit television inspection, specialized cleaning and pipe lining repairs.</b></p> <p style="text-align: center;">Approved and forwarded for your consideration. See the City Administrative Officer report attached.</p> <div style="text-align: center;"> (Ana Guerrero) MAYOR</div> <p>MAS:SMC:06160085t</p>		

**Report From**  
**OFFICE OF THE CITY ADMINISTRATIVE OFFICER**  
**Analysis of Proposed Contract**  
(\$25,000 or Greater and Longer than Three Months)

To: The Mayor	Date: 04-14-16	C.D. No. Citywide	CAO File No.: 0150-10045-0001
Contracting Department/Bureau: Bureau of Sanitation		Contact: Carmelo Martinez (323) 342-6040	
Reference: Board of Public Works' transmittal dated November 13, 2015; referred by Mayor for report on November 17, 2015			
Purpose of Contract: To provide sewer condition assessment via closed circuit television or sonar and laser profiling, specialized cleaning of lateral connections and large diameter pipes and pipe repair.			
Type of Contract: ( ) New contract (X) Amendment		Contract Term Dates: Two contracts, each with an additional two years after original contract expiration date, with option to extend on a month-to-month basis for a maximum of six months. Total term for each contract is five years, six months.	
Contract/Amendment Amount: \$5,000,000 per contract			
Proposed amount Hoffman Southwest Corp.: \$ 5,000,000+ Prior award(s) \$ 5,000,000 = Total \$ 10,000,000 National Plant Services: \$ 5,000,000+ Prior award(s) \$ 5,000,000 = Total \$ 10,000,000			
Source of funds:  Sewer Construction and Maintenance Fund 760			
Name of Contractor: Hoffman Southwest Corporation, dba Profession Pipe Services and National Plant Services, Inc.			
Address: Hoffman Southwest Corp.: 249 S. Paseo Tesoro, Walnut, CA 91789 National Plant Services: 1461 Harbor Ave, Long Beach, CA 90813			
	Yes	No	N/A*
1. Council has approved the purpose	X		
2. Appropriated funds are available	X		
3. Charter Section 1022 findings completed	X		
4. Proposals have been requested	X		
5. Risk Management review completed	X		
6. Standard Provisions for City Contracts included	X		
7. Workforce that resides in the City: Hoffman: 0%; National Plant Services: 3.5%	*N/A = not applicable ** Contracts over \$100,000		
8. Contractor has complied with:			
	Yes	No	N/A*
a. Equal Employmt. Oppty./Affirm. Action	X		
b. Good Faith Effort Outreach**	X		
c. Equal Benefits Ordinance	X		
d. Contractor Responsibility Ordinance	X		
e. Slavery Disclosure Ordinance	X		
f. Bidder Certification CEC Form 50	X		

**COMMENTS**

In accordance with Executive Directive No. 3, the Board of Public Works, on behalf of the Bureau of Sanitation (Bureau), requests authority to execute amendments to two personal services contracts, Contract No. 123188 with Hoffman Southwest Corporation, dba Professional Pipe Services (ProPipe) and Contract No. 123407 with National Plant Services, Inc., to provide sewer condition assessment via closed circuit television inspection (CCTV) or sonar and laser profiling. The proposed amendments will expand the scope of work to include specialized cleaning of sewer pipes that are 36-inches or greater in diameter, cleaning of the wye (the part of the City sewer system that connects to a private lateral), and repair of the sewer system. Additionally, the proposed amendments will increase the maximum compensation per contract by \$5 million and increase the term by two years, from three to five years, with option to extend for an additional six months on a month-to-month basis.

 SMC Analyst 06160085	Assistant CAO	 City Administrative Officer
---	---------------	--

## **BACKGROUND**

The City owns and maintains over 6,700 miles of sewer pipelines which are connected to four treatment and water reclamation plants that process an average of 440 million gallons per day. The sewer system must be maintained to ensure that there are no blockages in the pipes which may cause sewer spills and overflows. The most common causes of blockages are tree roots, fats, oils and grease. Closed circuit television (CCTV) inspection of the sewer pipelines enables the City to evaluate the structural condition of the City's sewer pipe system, address emergency and regular repair needs, and ensure quality control and assurance of sewer cleaning activities to reduce overflow and stoppages.

In 2004, the City entered into a 10 year Collection System Settlement Agreement, a consent decree that required the City to inspect at least 600 miles of sewer lines, as well as implement other preventative measures, to reduce sewage spills and overflows. As there was limited City staffing, the City contracted for sewer condition assessment via CCTV or sonar and laser profiling. The continuous inspection of the pipes led to a reduction in the number of sewer spills and overflows. Therefore, when the consent decree expired in 2014, the City executed personal service agreements with ProPipe and National Plant Services, on October 24, 2013 and December 4, 2013 respectively, to continue inspection of the pipes. Additionally, the contractors provide inspection of the storm drain system and cleaning of the sewer lines as needed.

After the consent decree ended, the Bureau set a goal of inspecting between 350 to 400 miles of sewer pipes annually in order to inspect areas that are prone to sewer spills, such as hilly areas, and to ensure quality control and assurance of cleaning activities. The City currently inspects an average of 358 miles of sewer pipes annually. Due to advanced technology in sewer repair, the Bureau is requesting to add sewer repair, as well as specialized cleaning of the pipes, to the scope of work. The Bureau reports that the Bureau of Engineering utilizes sectional liner repair service under the emergency repair program. However, the sewer repair service is costly under the emergency repair program. The Bureau would like to test the effectiveness of the sectional liners that are offered at a lower cost by the contractors. Additionally, the Bureau reports that they have always needed cleaning of large diameter pipes, but lacked a methodology to clean large pipes that are difficult to reach. Since the contractors now have equipment that can travel along the curvatures of sewer pipes to clear major blockages from large pipes, the Bureau is requesting to add specialized cleaning of large diameter pipes to the contracts.

### **Charter Section 1022 and Contracting Provisions**

In accordance with Charter Section 1022, the Personnel Department determined on November 5, 2014 that City employees do not have the expertise to perform the work. While it was found that there are some City employees who can perform some of the work, such as CCTV inspections of sewer conditions, Personnel states that City employees cannot perform all of the work due to a lack of knowledge of current technologies relating to CCTV and laser or sonar technology or equipment. This Office finds that it is more feasible to contract the work because City employees do not have the expertise or capability to perform the highly specialized work involved in repairing sewer pipes or cleaning large diameter pipes, and the liner material and equipment are proprietary in nature.

ProPipe and National Plant Services are in compliance with the City's contracting policies. In accordance with the Los Angeles Administrative Code Section 10.5(b)2, Council approval of the proposed contract amendments are required because the terms of the agreements exceed three years.

### Proposed Amendments

The proposed amendments will include standard contracting language for the Subcontract Approval and Iran Contracting Act of 2010 clause, updated contact information for the City's designated staff, and the length of time that the contractors will have to perform the following responsibilities: to provide reports, to maintain records for review and auditing purposes, to remove personnel from performing work, to correct misleading or incorrect information, and to furnish all documents to the City after termination by either party. In addition, the proposed amendments will add the following scope of work:

- Cleaning of large (33 to 72 inch) diameter sewer pipes and sewer "wye" connections - Applicable to blockages caused by tree roots, fats, oils and grease, the contractor will clean and restore the pipes to a minimum of 90 percent of its original capacity as measured by the pipe diameter and cross section. If any cross section has more than 10 percent of the area blocked, the contractor will be responsible for re-cleaning the pipe and re-inspection via CCTV or sonar and laser profiling, if directed, at no extra cost to the City. Each contractor is guaranteed a minimum of 1,000 linear feet of large diameter pipes to clean.
- Lateral connections cleaning – The lateral connections (wyes) must be cleaned and restored to a minimum of either 85 to 90 percent of the pipe opening at the cross sectional area, depending on the lateral configuration. This cleaning includes the removal of major roots or non-fixed debris. If major roots or non-fixed debris cannot be removed by lateral cleaning, the contractor shall submit a cost proposal for excavation of the hard or fixed deposits. The contractor must document all lateral cleaning work by CCTV.
- Installing "wye" connection liners and sectional liners – As directed by the City, any structural damage of the pipes will be repaired with liners that will be cured in place to the interior of the pipes or wyes. The liners must conform to all applicable American Society for Testing and Materials Standards. Prior to initiating work that requires major traffic control or sewer bypass, the contractor shall obtain City approval for the proposed work and cost.

### Compensation

The maximum allowable compensation is increased by \$5 million per contract, for a total of \$10 million per contract, over the five year term. There are no changes to the rate of compensation for cleaning, CCTV-inspection and sonar or laser profiling, which are inclusive of all labor, tools, equipment, materials, and supplies. The rates for the additional scope of work are provided in Exhibit A of each contract. The Bureau reports that the \$5 million will be spent as follows:

	Per Year	Total (over 3 years)
Specialized cleaning of large diameter pipes or wyes	\$1.3 million	\$3.9 million
Sewer Repair with sectional/ lateral liners	\$0.2 million	\$0.6 million
Sub-total:	\$1.5 million	\$4.5 million
Reserved for additional cleaning of large sewers if needed		\$0.5 million
	TOTAL:	\$5 million

If at any time the City is not satisfied with the quality of the CCTV inspection or cleaning activities, the City may request the contractor to re-televisé or re-clean the pipe or resubmit the records within 60 calendar days at no extra cost to the City. Substandard work which does not meet the acceptable requirements as provided in Article 4.5 and 4.6 will not be paid. Should the contractor fail or refuse to perform its obligations under this warranty, the City may render or undertake the performance and the contractor shall be liable for any expenses incurred.

## **RECOMMENDATION**

That the Mayor and Council authorize the Board of Public Works, or designee, to execute amendments to two personal services contracts, with Hoffman Southwest Corp., dba Professional Pipe Service and with National Plant Services, Inc., to provide sewer condition assessment, specialized cleaning and repair services over the five year term of the amended contract, with an option to extend on a month-to-month basis for a maximum of six months and a cost ceiling of \$10 million per contract. The City Attorney has approved this agreement as to form.

## **FISCAL IMPACT STATEMENT**

There is no General Fund impact. Sufficient funds are available in the Sewer Construction and Maintenance Fund to support the cost of work performed in 2015-16. Funding for future years will be provided through the City's annual budget process and subject to Mayor and Council approval. The contracts include a Financial Liability clause which limits the City's financial obligation to the extent of the City appropriation for this purpose. The recommendation in this report complies with the City's Financial Policies as ongoing special fund revenues will support ongoing expenditures.