



**Board of Directors  
September 4, 2019**

**SUBJECT:**

Approve and Authorize Additional Funds for Agreement No. 103407 with S E Pipeline Construction Company for Asphalt Maintenance and Repair Service for a Revised Not-to-Exceed Total of \$2,700,000

**BACKGROUND:**

On October 5, 2016, the Board of Directors approved and authorized a five-year agreement in the full-term amount of \$1.5 million with S E Pipe Line Construction (S E Pipe Line) of Santa Fe Springs, California, to perform Asphalt Maintenance and Repair Services in accordance with Request for Proposals (RFP) No. 2828.

Services performed under the agreement include the removal and replacement of asphalt, grinding, saw cutting, the application of slurry and sealants, and line striping within streets and roadways, throughout the District. Such repairs are performed on a frequent and as-needed basis and include water distribution and wastewater collection system repairs, as well as work associated with the installation of service connections, and other similar needs. Asphalt maintenance and repair services routinely require traffic control, coordination with cities and other utilities, and after-hours/overnight work. For the contract term-to-date, more than 760 repair services have been completed and more than 1,200 such services are projected through contract expiration.

**Historical Use and Projected Costs**

At the time of contract award in November of 2016, annual expenditures for asphalt maintenance and repair services averaged approximately \$289,000 per year based on the previous five years of historical use. However, since the effective date of the current agreement, contractual spend has averaged approximately \$540,000 per year.

As reflected in the table below, the average number of work orders performed against the contract has been consistent while the size of the average repair has significantly increased:

	<b>Previous Contract (May 2012 - October 2016)</b>	<b>Current Contract (November 2016 – Current)</b>
Avg. Work Orders per Month	23	23
Total Sq.Ft. of Work	95,518	86,153 (to date)
Avg. Sq. Ft. per Work Order	78.9	112.7
	43 percent increased square footage per repair	

Contributing to the increase are larger, more significant pipe line breaks, subsidence, and repairs, as well as requirements from various cities and jurisdictions within EMWD's service area to repave larger areas of asphalt following a repair or excavation.

By way of example; a 120 square foot excavation in Moreno Valley was completed in April in which City staff required 418 square feet of pavement repair. Similarly, a 160 square foot excavation in Murrieta resulted in paving totaling 358 square feet. While a difference between the area of an initial excavation and that of the final paving is common, the number and size of these occurrences has contributed to the increase in average square footage per repair and a corresponding increase in costs to the District.

Based on the current number and size of repairs averaging \$540,000 per year, staff project an additional \$1,200,000 of expenditures through the remainder of the contract duration which expires on November 8, 2021.

**FINANCIAL IMPACT:**

Funding for this item is provided for in the Biennial Budget for Fiscal Years 2019-20 and 2020-21.

**STRATEGIC PLANNING GOAL/OBJECTIVE:**

**Maintenance:** Implement and manage preventative and predictive maintenance programs that enable a highly reliable operation of EMWD's facilities and extend the useful life of assets.

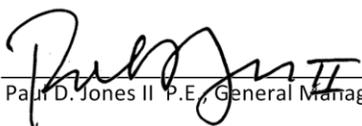
**ENVIRONMENTAL IMPACT:**

None

**RECOMMENDATION:**

Approve and authorize the addition of \$1,200,000 to Agreement No. 103407 with S E Pipeline Construction Company, bringing the full-term, not-to-exceed total to \$2,700,000.

**SUBMITTED BY:**

  
Paul D. Jones II, P.E., General Manager

8/15/2019

  
Jeff D. Wall, P.E., Assistant General Manager

8/9/2019

History:

08/22/19 Board Operations and Engineering Committee RECOMMENDED FOR  
APPROVAL

09/04/19 Board Meeting

Staff Contact: Dan Howell, Jeff Wasserman