

**AGENDA  
ITEM**

**13**



**CITY COUNCIL**  
**AGENDA STAFF REPORT**

**DATE:** September 3, 2025  
**TO:** Mayor and City Council  
**APPROVED BY:** Benjamin Martinez, City Manager *BM*  
**REVIEWED BY:** Karla Chaparro, Finance Director *KC*  
**PREPARED BY:** Jesus Villegas, Public Works Director/City Engineer *JVP*  
**SUBJECT:** Authorize City Manager to Sign Deductive Change Order No. 10 with Mountain Cascade, Inc. in the Amount of \$63,585.84 for the New River Improvement Project – Calexico Reach.

=====  
**Recommendation:**

It is recommended that the City Council of the City of Calexico approve the following:

1. Authorize City Manager to Sign Deductive Change Order No. 10 with Mountain Cascade, Inc. in the amount of \$63,585.84 for the New River Improvement Project – Calexico Reach.

**Background:**

On February 15, 2023, the City Council of the City of Calexico awarded Mountain Cascade, Inc. the bid for construction services of the New River Improvement Project – Calexico Reach in the amount of \$40,690,908.04. The project consists of three primary construction components:

1. Trash screen and diversion structure for the New River downstream from the International Boundary with Mexico.
2. Bypass encasement infrastructure for the New River from a point downstream of the International Boundary to a point downstream of the eastern boundary of the City of Calexico to address the public health threat that New River water quality poses to the southern area of the city.
3. A pump-back system to take treated wastewater from the existing Calexico Wastewater Treatment Plant (WWTP) and discharge it into the New River channel at a point near the proposed river diversion and encasement structure.

On October 4, 2023, the City Council of the City of Calexico authorized the City Manager to sign Change Order No. 1 with Mountain Cascade, Inc. in the amount of \$282,500.00 and authorize City Manager to approve any future change orders not-to-exceed \$610,363.62 (1.5% of Mountain Cascade, Inc. base bid) as per City Ordinance No. 1218.

Below please find the list of change orders that have been approved as of April 5, 2025:

#	Description	Amount
<b>Change Order No. 1</b>		
139	72" CCFRFP Pipe Freight Delivery/Mobilization (Calculation Error in Bid Item)	\$57,500.00
CO1a	New River East Access – Change of Condition from bidding, required additional work to access east side of River for sheet piling work at NR diversion structure area, reduction of workspace area	\$47,042.73
CO1b	Transfer Yard Clean-up of City property adjacent to Hensel Phelps property	\$31,754.48
CO1c	Standby Time Delay for Equipment due to no encroachment permit & Hensel Phelps property not being available.	\$114,812.70
	Total	\$251,109.91
<b>Change Order No. 2</b>		
CO2a	New River East Access - Change of Condition from bidding, required additional work to access east side of River for sheet piling work at NR diversion structure area, reduction of workspace area	\$24,465.09
CO2b	Transfer Yard Clean-up of City property adjacent to Hensel Phelps property	\$0.00
CO2c	Standby Time Delay for Equipment due to no environmental clearance & Hensel Phelps property not being available.	\$109,899.84
	Total	\$134,364.93
<b>Change Order No. 3</b>		
1	Pothole and Verify Existing Sewer Line Invert Elevation	\$10,346.00
2	Construction Staking	\$17,865.00
3	Temporary Sewer Bypass to Allow for Construction of 18-inch Sewer Pipe and Sewer Manholes	\$158,402.00
4	Remove and Dispose Existing Sewer Manholes	\$19,958.00
5	Remove and Dispose Existing 18" VCP Sewer Pipe	\$107,940.00
6	Furnish and Install 5-ft Diameter Sewer Manhole, including Manhole Coating	\$104,697.00
7	Furnish and Install 18-inch Diameter PVC Sanitary Sewer, including Trenching, Backfill and Compaction to 90% Relative Compaction	\$60,060.00
8	Temporary Sewer Bypass to Allow for Construction of 30-inch Sewer and Sewer Manhole	\$182,384.00
9	Remove and Dispose Existing 30-inch VCP	\$128,800.00

10	Furnish and Install 30-inch Diameter PVC Sanitary Sewer, including Trenching, Backfill and Compaction to 90% Relative Compaction	\$213,360.00
11	Pressure Testing of Sewer Pipe, including 18-inch and 30-inch Diameter Pipes	\$26,011.00
12	Concrete Encasement 30-inch Sewer Pipe (24-ft length of pipe)	\$20,964.00
	Total	\$1,050,787.00
<b>Change Order No. 4</b>		
4a	New River East Access - Change of Condition from bidding, required additional work to access east side of River. Temporary backfill at diversion channel excavation & removal/stockpile 11/6/23 through 12/12/2023 in MCI billing #9 (December)	\$63,580.33
4c.1	Standby Time Delay for Equipment due to combination of no encroachment permit (until 10/4, Hensel Phelps property not being available, & Environmental Clearance (Owls). From 10/2 through 10/31 in MCI billing #8 (November)	\$98,402.74
4c.2	Standby Time Delay for Equipment due to Environmental Clearance (Owls) & 30" sewer crossing. From 11/01 through 11/30/23 in MCI billing #9 (December)	\$54,100.09
4d	Second Street Mall Property rental. This is required due to not having sufficient staging, operations, stockpile & transfer yard at the location for the diversion channel work area at the southwest side of the New River. This was brought up early in the project and City agreed at the time to pay for rental. The rental amount currently is \$5,000 per month for seven months 06/23 through 12/2023 in MCI billing #9 (December) & through the 12 months to 6/23/2024 since work will continue to at least that point.	\$60,000.00
4e	Burrowing Owl & Erosion Gulley backfill. The westerly top bluff over the New River had burrowing owls that required environmental clearance using burrowing owl protocols to ensure the top bluff area was clear for equipment to work, and to stage, move materials and equipment, including stockpile/staging of 72" pipe. The area had many eroded gulleys, holes, depressions, broken rubble, and other areas that burrowing owls have used, use, and can use for burrows. Once the environmental monitor cleared burrows, the burrows were collapsed, and MCI filled in these areas with stockpiled material. Unfortunately, owls can return to the area which they have done, so this item may require additional future work if needed. This extra work item was for labor and equipment from 11/27/2023 through 12/6/2023 in MCI billing #9 (December).	\$51,227.66
4f	RFI 2.1 Seismic Controller & Actuator Required Changes to Electrical: In response to RFI 2.1, MCI provided the required actuator revised by MBI project specifications. This requires changes to integrated equipment and MBI updated electrical	\$90,864.54

	drawings. MCI provided this change order for additional costs to accommodate the updated actuator.	
		Total
		\$418,175.36
<b>Change Order No. 5</b>		
5a	Substitution Request 001R3 – 72" Pipe Zone Soil Cement Backfill; Use of soil cement in lieu of ¾" rock, mirafi fabric and trench dam/cut off walls for the 72" NR Bypass pipeline. There is a cost savings of \$198,096.72 per approved substitution request. However, additional cost savings may be obtained with re-evaluation of soil cement strength, to be determined.	(\$198,096.72)
5b	Substitution Request 004, DIP to PVC C900 Pump Back Sewer Force Main. Originally a no cost change order for using the plastic pipe. Subsequently, City added use of bell restraints at selected locations which results in a net increase of \$30,017.17 agreed price for 40 restraints. Plan to restrain one joint on both sides of fittings with assumed 20 fittings. Final cost depends on how many restraints are constructed in place.	\$30,017.17
5c	Standby Time Delay for Equipment due to 30" sewer crossing preventing access for west slope excavation & hauling. From 12/01/23 through 12/31/23 in MCI billing #10 (January 2024).	\$80,749.62
5d	Shoring Rental through January 31, 2024; in MCI billing #10 (January 2024). Due to delays, MCI schedule to complete in November 2023 with removals December 2023. This monthly shoring rental starts January 2024 to continue until project completion.	\$34,500.00
		Total
		(\$52,829.93)
<b>Change Order No. 6</b>		
6a	Shotcrete of the four transition slopes in the diversion channel. The four transition slopes in diversion channel were built up with compacted class 2 aggregate base. Concern of risk to integrity of future storm events eroding portions of the southerly compacted transition slopes due to the [potential large New River flows a temporary shotcrete was placed over transitions to protect the compacted transition slopes integrity.	\$37,087.50
6b	All-weather surfacing class 2 base emergency access & detour route. The temporary detour access for the WWTP, Animal Shelter and airport hangar users for Animal Shelter Road closure during the 16" sewer force main required all-weather access. This access is routed along the west side of the Calexico Airport, adjacent to the perimeter chain link fence, using unimproved earthen roads adjacent to an IID All American Canal bank. The underlying soils are clayey/silts which are inaccessible when wet. Class 2 aggregate base material was determined the least expensive that would serve as all-weather surfacing for the detour and serve as an emergency access.	\$74,541.94

6c	Shoring Rental February through May 2024; in MCI billing #11, 12 & 13 (May 2024). Due to delays, MCI schedule to complete in November 2023 with removals December 2023. This monthly shoring rental started January 2024 in CCO 5, to continue until project completion. (Feb, March, April, May)	\$138,000.00
	Total	\$249,629.44
<b>Change Order No. 7</b>		
7a	This change order is a continuation of prior CCO's for change in conditions from what the site was like at time of bid. At the diversion structure by the trash rack, both sides of the New River were clear and had direct access for equipment and personnel. By the time the project started, security fencing and parking lot improvements were constructed for the Calexico border crossing so that the East side of the River was completely inaccessible. This caused additional work in previous CCO's and for this CCO, the need to bring in bigger, powerful equipment to finish the work. This CCO 7 is for an original excavator-mounted sheet pile driver to a 200 ton crane, which is significantly larger to remove the cofferdam sheet piles from the east side of the New River.	\$333,836.91
	Total	\$333,836.91
<b>Change Order No. 8</b>		
8a	Second Street Mall Property rental. This is still required due to not having sufficient staging, operations, stockpile & transfer yard at the location for the diversion channel work area at the southwest side of the New River. This was brought up early in the project and City agreed at the time to pay for rental. The rental amount currently is \$5,000 per month for continuing from change order 4d which carried this to 6/23/2024. This addition from change order 4d will carry this item for six additional months through 12/23/2024. This will be adjusted by credit due to the current delay by MCI of the diversion channel access road grading which started August 2, 2024 when the Michael Baker plans were provided via email. The current delay by MCI of this area is due to their revised engineering plans not being approved with proper substitution request and the impact of schedule delay of not completing the trash rack trolley foundation supports due to high groundwater. This delay impact on this extra work item requires credit back from August 2, 2024 until these two key issues are resolved.	\$30,000.00
8b	Pump Station Effluent Mixing CIP Structure. This was an extra work item as needed per plans and was not a called out bid item. The cast in place structure was a complex structure requiring epoxy coating, multiple week bypass connection.	\$112,200.08
8c	Precast concrete catch basins and junction boxes along western slope required for drainage per plans. No bid item for these components, but integral to the bid items for storm drain pipes, and	\$287,447.39

	concrete v ditches shown on plans. This is an agreed price, lump sum extra work item for all materials and work, in place.	
8d	Pump Station Sewer Outfall Pipeline. Due to plan sheet elevation conflicts, the sewer connection at downstream end of the pump station building required a separate outfall line to convey treated sewage to New River, adjacent to existing outfall for future bypass needs. This was agreed to be time and materials.	\$38,493.02
8e	12 concrete collars at 72" pipeline manholes required due to manhole covers being composite materials which are light and easily removable or can be dislodged with loading. Not in original design plan. Agreed to be time and materials for extra work.	\$24,075.23
8f	New River trash clean up at trash rack. After removal of diversion channel, New River flow carries Mexico trash and is caught on the project trash rack. The project trash rack trolley is not operational at this time so the trash must be collected, removed and hauled offsite. Until the trolley system is operational, this item will be ongoing as extra work.	\$38,791.80
	Total	\$531,007.52
<b>Change Order No. 9</b>		
9a	Additional utilities encountered that didn't match alignments shown on plans for 72-inch pipe installation on 2nd street. A 12" water line and fiber optic lines not shown on plans caused delays to pipe crew. This resulted in additional excavation needed, modification to shoring & equipment standby. Two days 6/25/24 and 6/26/24 of crew time were used. Time & materials extra work.	\$58,648.26
9b	Pothole additional utilities not shown on the plans. Gas Mainline not shown on plans but marked with no depth. Four days: 2/8/24, 5/9/24, 5/28/24 & 5/29/2024; Time & materials extra work.	\$32,359.61
9c	Diversion Channel access road excavation - additional stockpile of broken concrete, brick, asphalt & other debris. Time & materials extra work.	\$13,678.12
9d	IID changes to underground conduit alignment due to pole stability, re-aligning trenching and additional costs of slurry backfill; Time & materials extra work.	\$24,128.96
9e	48-inch Mall Retention Basin Storm Drain conflict with diversion access road surface elevations - concrete encasement; Lump sum extra work.	\$7,000.00
9f	Generator Pad Extension - generator with fuel tank greater length than pad dimension shown on plans; Time & materials extra work.	\$14,680.90
9g	New River trash clean up at trash rack. After removal of diversion channel, New River flow carries Mexico trash and is caught on the project trash rack. The project trash rack trolley is not operational at this time so the trash must be collected, removed and hauled offsite. Until the trolley system is operational, this item will be ongoing as extra work.	\$33,501.80

9h	Retaining Wall Elimination& Diversion Access Regrading – Total credit matches MCI substitution request 009. See 9h detail below:	
9h(1)	Bid Item 16 eliminated - Concrete Retaining Wall	(\$525,000.00)
9h(2)	Bid Item 32 eliminated - 8' High Ornamental Security Fencing	(\$61,476.00)
9h(3)	Bid Item 33 eliminated - 4' High Ornamental Security Fencing	(\$33,060.00)
9h(4)	Bid Item 34 eliminated - 8' Chain Link Security Fencing along New River banks	(\$19,306.00)
9h(5)	New Shotcrete slope Paving (include WWM)	\$109,924.92
9h(6)	8' Chain Link Fence	\$61,635.00
9h(7)	4' High Hand Rail	\$30,250.00
9h(8)	Additional Engineering Design for Access Grading & Handrail	\$20,470.00
9h(9)	Additional Construction Staking/Survey	\$15,640.00
	Total	(\$216,924.43)

**Discussion and Analysis:**

The New River Improvement Project – Calexico Reach is in its final stage of completion. Change Order No. 10 includes additional work not anticipated during the design phase, changed conditions after bidding and reconciles the revised contract amount with the actual construction cost spent. City staff is recommending that the City Council of the City of Calexico approve Mountain Cascade, Inc. deductive Change Order No. 10 which includes the following items:

#	Description	Amount
<b>Change Order No. 10</b>		
10a	Trash Rack Trolley System Bosker Field Connection. Additional design coordination between MCI and MBI (design engineer)needed for completion of Ovivo trash trolley system. Additional electrical & instrumentation work were needed for raceways, conduits, supports and	\$44,053.05
10b	New River trash clean up at trash rack. After removal of diversion channel, New River flow carries Mexico trash and is caught on the project trash rack. The project trash rack trolley was not operational until after March 2025 with intermittent start up issues. The last extra	\$50,252.70
10c	Additional design coordination between MCI & MBI (design engineer) for instrumentation & control issues related to RFI 064 for VFD (variable frequency drives) of the pump back system.	\$9,612.85
10d	Credit for City removal of 20 CY waste bin at diversion channel	(\$535.17)
10e	Shoring rental carryover from CCO 5d and CCO 6c	\$28,750.00
10f	Balancing Change Order to reflect actual final bid quantities, eliminated items of work and reconciling final billing & payment to contractor to match actual final construction costs, including all change orders and bid items of work.	(\$195,719.27)
	Total	(\$63,585.84)

**Fiscal Impact:**

Capital Improvement Program Budgeted Item for FY 2025-2026	
Revenue – Fund No. 475-91-902	
DWR Grant - Construction	\$41,980,075.00
Dept. of Parks and Recreation - Construction	\$1,346,403.91
Total	\$43,326,478.91
Expenditures – Fund No. 475-91-902	
Mountain Cascade, Inc. – Original Bid	\$40,690,908.04
Mountain Cascade, Inc. – Change Order No. 1	\$251,109.91
Mountain Cascade, Inc. – Change Order No. 2	\$134,364.93
Mountain Cascade, Inc. – Change Order No. 3	\$1,050,787.00
Mountain Cascade, Inc. – Change Order No. 4	\$418,175.36
Mountain Cascade, Inc. – Change Order No. 5	(\$52,829.93)
Mountain Cascade, Inc. – Change Order No. 6	\$249,629.44
Mountain Cascade, Inc. – Change Order No. 7	\$333,836.91
Mountain Cascade, Inc. – Change Order No. 8	\$531,007.52
Mountain Cascade, Inc. – Change Order No. 9	(\$216,924.43)
Mountain Cascade, Inc. – Change Order No. 10	(\$63,585.84)
Total	\$43,326,478.91

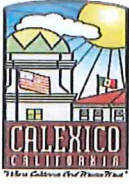
**Coordinated With:**

California Department of Water Resources.  
Department of Parks and Recreation.  
City Manager's Office.  
Public Works Department.

**Attachment(s):**

1. Mountain Cascade, Inc. Change Order No. 10.

ATTACHMENT NO. 1



CITY OF CALEXICO  
PUBLIC WORKS DEPARTMENT  
CHANGE ORDER NO. 10

Name of Project: New River Improvement Project - Calexico Reach

Name of Contractor: Mountain Cascade, Inc.

Date: September 3, 2025

#	Description	Price Increase	Price Decrease	Time Extension
10a	Trash Rack Trolley System Bosker Field Connection. Additional design coordination between MCI and MBI (design engineer) needed for completion of Ovivo trash trolley system. Additional electrical & instrumentation work were needed for raceways, conduits, supports and emergency stops.	\$ 44,053.05		0
10b	New River trash clean up at trash rack. After removal of diversion channel, New River flow carries Mexico trash and is caught on the project trash rack. The project trash rack trolley was not operational until after March 2025 with intermittent start up issues. The last extra work clean up occurred March 7, 2025.	\$ 50,252.70		0
10c	Additional design coordination between MCI & MBI (design engineer) for instrumentation & control issues related to RFI 064 for VFD (variable frequency drives) of the pump back system.	\$ 9,612.85		0
10d	Credit for City removal of 20 CY waste bin at diversion channel		\$ 535.17	0
10e	Shoring Rental carryover from CCO 5d and CCO 6c	\$ 28,750.00		
10f	Balancing Change Order to reflect actual final bid quantities, eliminated items of work and reconciling final billing & payment to contractor to match actual final construction costs, including all change orders and bid items of work.		\$ 195,719.27	
	Sub-Total	\$132,668.60	\$ 196,254.44	
	Total	\$	(63,585.84)	
	Contract Amount (including CO1 through CO9)	\$	43,390,064.75	
	Total Contract Amount (Contract, CO1, CO2, CO3, CO4, CO5, CO6, CO7, CO8, CO9 & CO10)	\$	43,326,478.91	

---

Benjamin A. Martinez, City Manager  
City of Calexico, 608 Heber Avenue, Calexico, California

---

Carlos Beltran, Construction Manager  
Dynamic Consulting Engineers, 2415 Imperial Business Park Drive, STE B, Imperial, California

---

Michael D. Fuller, President  
Mountain Cascade, Inc., 555 Exchange Court, Livermore, CA