



**Honorable Mayor and Members of the Hermosa Beach City Council**

**APPROVE THE FIRST AMENDMENT TO THE MAINTENANCE SERVICES AGREEMENT FOR ON-CALL SANITARY SEWER AND VIDEO INSPECTION SERVICES WITH EMPIRE PIPE CLEANING AND EQUIPMENT, INC.**

**CEQA:** The action is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15378(b)(5).

(Public Works Director Joe SanClemente)

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**Recommended Action:**

Staff recommends City Council:

1. Determine the project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15378(b)(5);
2. Approve the proposed amendment to the agreement with Empire Pipe Cleaning and Equipment, Inc. to provide sanitary sewer hydro-flushing and video inspection maintenance services, extending the contract term through June 30, 2027, increasing the total base contract amount by \$255,696, and increasing contract total from \$793,490 to \$1,049,186 (**Attachment 1**);
3. Authorize the Director of Public Works to increase the annual project contingency from \$10,000 per year to \$15,000 per year for Fiscal Year (FY) 26-27; and
4. Authorize the City Manager to execute the proposed amendment, approve minor non-substantive modifications if necessary, and execute all related documents, with the City Clerk attesting to the agreement subject to approval by the City Attorney.

**Executive Summary:**

At its May 10, 2022, meeting, City Council awarded a maintenance services agreement to Empire Pipe Cleaning and Equipment, Inc. (Empire) for sanitary sewer maintenance services following a competitive solicitation process (**Attachment 2**). The term for this agreement is currently set to expire on June 30, 2026. Staff requests approval of the proposed amendment to extend the term of the agreement by one year to June 30, 2027, increase the not-to-exceed contract amount by \$255,696, thereby increasing the contract total from \$793,490 to \$1,049,186. Staff also requests an increase in the annual project contingency from \$10,000 to \$15,000 to better address unforeseen sewer cleaning needs. Approval of the amendment will ensure uninterrupted sewer system maintenance.

**Background:**

The City owns, operates, and maintains approximately thirty-seven miles of sewer mains and 880 sewer maintenance access holes. The Public Works Department relies on specialized sewer maintenance contractors to perform hydro-flushing and closed-circuit television (CCTV) inspection services as part of a comprehensive preventative maintenance strategy. This practice helps maintain proper sewer operations, extend the infrastructure service life, greatly reduces the risk of sanitary sewer overflows, protects public health, and reduces potential for damage to private and public property that could result from system blockages.

On March 24, 2022, the City issued a Request for Proposals for sanitary sewer maintenance services for FY 22-23 through FY 25-26, with an optional one-year extension. On May 10, 2022, the City Council awarded the contract to Empire as the most qualified and cost-effective bidder.

***Past Council Action***

Meeting Date	Description
<a href="#">May 10, 2022</a>	Council awarded contract to Empire Pipe Cleaning and Equipment, Inc. for Sanitary Sewer Maintenance and CCTV Inspection Services

**Discussion:**

The current agreement will expire on June 30, 2026, and the contract is approaching its authorized spending limit as the approved contract amount only covered the period from FY 22-23 through FY 25-26. Continued services are necessary to ensure the sewer system is properly maintained and to assist staff if there is an emergency blockage.

To ensure thorough preventative maintenance of the City’s sewer system, staff is proposing to increase the overall linear feet of the annual cleaning from 211,000 to 250,000 linear feet and increase the scheduled second cleanings of trouble spots from 15,000 to 30,000 linear feet. Staff recommends these increases to better reflect what is required to maintain the system, while providing flexibility, particularly for trouble spot locations which are typically the result of grease build-up. Cleanings are all billed based on work completed per a unit price; therefore, the City would only be billed for the work completed.

Staff solicited updated rates from Empire for the new fiscal year and negotiated unit price increases ranging between 2.8% and 3.5% per line item, which are at, or below, the Consumer Price Index (CPI).

Staff has evaluated contractor performance and finds Empire to be responsive, reliable, and highly knowledgeable about the City’s system. The proposed extension at or below-CPI rate increases provides strong value while ensuring service continuity.

Staff intends to release a new Request for Proposals during FY 26-27 for services beginning in FY 27-28.

**Environmental Impact:**

The proposed action is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15378(b)(5), as it consists of administrative activities that will not result in a direct or indirect physical change in the environment. The amendment pertains to ongoing sewer maintenance services within existing infrastructure.

**Fiscal Impact:**

The proposed first amendment extends the service contract one more year for FY 26-27 at a cost of \$255,696 for the base contract. In addition, staff is seeking Council approval of a \$15,000 contingency to cover as-needed emergency services for a total of \$270,696.

Staff will budget the upcoming FY 26-27 extension year service cost as part of the upcoming FY 26-27 budget in anticipated available Sewer Funds.

<b>Agreement Modification Request</b>				
<b>Agreement</b>	<b>Current Authorized Amount</b>	<b>Modified Request Amount</b>	<b>FY 2026-27 Budget Dept. Account #</b>	<b>Total Revised Contract Amount</b>
PW-MSA 22-003	\$793,490	\$255,696	160-3102-4201	\$1,049,186

**Attachments:**

1. First Amendment to the Agreement with Empire Pipe Cleaning and Equipment, Inc.
2. Empire Pipe Cleaning and Equipment, Inc. fully executed contract

**Respectfully Submitted by:** Michael Dell’Amico, Management Analyst

**Concur:** Joe SanClemente, Public Works Director

**Noted for Fiscal Impact:** Henry Chao, Finance Manager

**Reviewed by:** Brandon Walker, Administrative Services Director

**Legal Review:** Jason Baltimore, Interim City Attorney

**Approved:** Steve Napolitano, City Manager