



Legislation Text

File #: 17-509, **Version:** 1

Staff Report for a Resolution to Increase Contract Change Order Authorization from 15% to 20% (from \$359,409 to \$479,212; an Increase of \$119,803) for a Construction Contract with DeSilva Gates Construction, L.P. for the Annual Overlay / Rehabilitation 2015-16 Project, Project No. 2016.0050; and City Council Approval to Appropriate an Additional \$65,000 from the Measure B Local Streets and Roads Fund Balance for the Project

SUMMARY AND RECOMMENDATIONS

The Annual Overlay/Rehabilitation 2015-16 Project is for the overlay and rehabilitation of pavement on sixteen selected City streets. The project will also complete the installation of additional manholes, speed cushions and sanitary sewer point repairs to coordinate needed improvements and meet resident's needs.

Staff recommends the following actions:

- Increase the Contract Change Order (CCO) Authorization from 15% to 20% (from \$359,409 to \$479,212; an Increase of \$119,803) for the construction contract with DeSilva Gates Construction, L.P., and
- Appropriate additional Measure B Local Streets and Roads pass through funds in the amount of \$65,000 for the project.

BACKGROUND

On July 18, 2016, by Resolution No. 2016-095, the City Council awarded the construction contract to DeSilva Gates Construction, L.P. for \$2,396,060 for the subject project. In addition, the Council authorized change orders to the contract up to 15% of the contract amount, or \$359,409. The authorization for change orders up to 15% provided staff the ability to either increase, or decrease the scope of work based on field discoveries, which helps to avoid work delays and subsequent claims from the contractor.

The project involves the repair, overlay, and/or reconstruction of streets as shown on the construction plans for the Annual Street Overlay/Rehab 2015-16 project. The project has either performed or is in the process of performing repairs to sixteen City streets for a total of 5.33 lane miles. In addition, this project installed twenty-one speed cushions at various locations, as requested by residents, and replaced fifty-three curb ramps.

Analysis

The construction of the project is close to completion. However, the current executed change orders by staff are approaching the existing change order authorization approved with the award of the project. Authorizing an increase in the change order cap from 15% to 20% (from \$359,409 to

\$479,212, an increase of \$119,803) will enable staff to complete the project without delay. If the entire change order authorization is not used, unexpended funds from the project will be returned to the Measure B fund balance.

The authorized change order amount was consumed by added quantity of unit price bid items and several field revisions to clarify the work and address unforeseen conditions, which is typical and expected for any construction project. Additionally, change order work outside the expected project scope and amounting to almost \$120,000 was added to the project and included the following:

- Installation of manholes at “end of line” sewer cleanouts which will be reimbursed by Oro Loma Sanitary Sewer District
- Installation of speed cushions on Park Street which will be funded by the Siempre Verde Park Project
- Sanitary sewer point repairs for sewer lines under Lexington Avenue that will be funded by the City’s Water Pollution Control Plant Enterprise.

These unexpected extra work items, total 5% of the original contract amount. An expansion of the change order authorization is requested by the same percentage.

Supplemental funding of \$65,000 is also needed to complete the original project scope because expenses on two items were more than originally budgeted at the time of project award: Final pedestrian ramp construction (under a separate contract) increased by \$40,000 due to unexpected field conditions, and construction management and inspection costs increased by \$25,000 due to a delay caused by the wetter than average winter.

Current Agency Policies

- Maintain and enhance the City’s infrastructure
- Support and implement programs, activities and strengthen communication that enhances the quality of life and wellness, celebrates the arts and diversity and promotes civic pride

Previous Actions

- On July 18, 2016 by Resolution 2016-095, City Council Awarded a Construction Contract to DeSilva Gates Construction, L.P. for the Annual Overlay / Rehabilitation 2015-16 Project, Project No. 2016.0050; Authorization for the City Manager to Negotiate and Approve Individual Change Orders Up to 5% of the Original Contract Amount; and Authorization for the City Manager to Negotiate and Approve Cumulative Change Orders Up to 15% of the Original Contract Amount; City Council Approval to Appropriate \$110,000 from the DFSI Fund Balance and \$930,000 from Measure BB Fund Balance for the Project.
- On May 16, 2016, by Resolution No. 2016-056, the City Council awarded a construction contract to Rosas Brothers Construction for the Curb Ramp Upgrades (2015-16) Project, Project No. 2016.0071.

Applicable General Plan Policies

- Goal T-2: Design and operate streets to be safe, attractive, and accessible for all transportation users whether they are pedestrians, bicyclists, transit riders or motorists,

- regardless of age or ability.
- Goal T-5: Improve major transportation arteries for circulation in and around the City.
 - Policy T-5.3: Maintenance.
- Goal T-6: Minimize the adverse effects of business, industrial, and through traffic on neighborhood streets.
 - Policy T6-1: Traffic Calming Strategies.
- Goal T-7: Improve traffic safety and reduce the potential for accidents on San Leandro streets.
 - Policy T-7.2: Capital Improvements.
 - Action T-7.2B: Pedestrian Safety Improvements.

Environmental Review

This project is categorically exempt from the California Environmental Quality Act (CEQA) per Section 15301(c) of the CEQA guidelines. The Notice of Exemption was filed with the Alameda County Recorder on October 2, 2015.

Fiscal Impacts

The total project cost is estimated as follows:

Design and Bid	\$145,000	
Ramp Construction		\$318,219 (separate contract)
Street Construction	\$2,396,060	
CCO to date	\$293,935	
CCO under consideration	\$164,526	
<u>Construction Management and Inspection</u>	<u>\$229,696</u>	
Total Cost:	\$3,547,436	

Budget Authority

Funding for this project is as follows:

<u>Account No.</u>	<u>Reso, Appropriation Dates & Source</u>	<u>Amount</u>
141-38-369	Reso 2015-316, FY 2015-16, Measure BB	\$510,000
142-38-369	Reso 2015-316, FY 2015-16, Gas Tax	\$320,000
144-38-369	Reso 2015-316, FY 2015-16, Measure B	\$510,000
210-38-369	Reso 2015-316, FY 2015-16, General Fund	\$1,000,000
120-28-167	Reso. 2016-095, DFSI Fund	\$110,000
141-38-369	<u>Reso. 2016-095, Measure BB Funds</u>	<u>\$930,000</u>
Total Current Project Appropriation		\$3,380,000

Additional funding requested as part of this City Council action:

Measure B Local Streets and Roads	\$65,000
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Funding from other projects or outside sources used for extra work on this contract:

Manhole Conversions at request of Oro Loma Sanitary District	
210-38-369 Reimbursement from Oro Loma SD	\$55,300

SS Point Repairs on Lexington Avenue

593-52-257 Reso. 2013-072, FY 2014-15, WPCP Enterprise Fund \$23,231

Park St. Speed Cushions for Siempre Verde Park

210-62-116 Reso. 2015-058, FY 2015-16, General Fund \$23,905

Total Funding from Other Sources \$102,436

Total Requested Project Funding \$3,547,436

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