



Legislation Text

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Staff Report for a City of San Leandro City Council Resolution to Increase the Contract Change Order Cap Authorization from 15% to 27% (from \$263,100 to \$464,572; an Increase of \$201,472) for the Original Construction Contract Amount of \$1,754,160 with Granite Construction, Inc. for the Annual Overlay/Rehabilitation 2016-17 Phase 2, Project No. 2017.0050

SUMMARY AND RECOMMENDATIONS

This contract provides for repaving of eight City streets. The increased change order authorization will allow payment for extra work performed by the contractor due to unexpected complications encountered during construction, as well as for the construction of improvements added onto the project during the construction phase.

The project budget has sufficient allocation to fund the increased cost.

Staff recommends the following actions:

- Authorize an increase to the Contract Change Order (CCO) cap from 15% to 27% (from \$263,100 to \$464,572; a Change Order Cap Increase of \$201,472) for the original contract amount of \$1,754,160 with Granite Construction, Inc. for the subject project.

BACKGROUND

The City of San Leandro maintains approximately 174 centerline miles of paved roadways with an average pavement condition index score of 59 out of 100 with 100 representing a newly paved road. Each year the City conducts two pavement maintenance projects, one for street sealing and one for street overlay / rehabilitation. This contract is for replacement of pavement (overlay) and for repair of the subgrade below the pavement (rehabilitation), to address pavement in poor and failed condition.

This project has funded two design contracts and two construction contracts. Design contracts were issued to NCE Engineers and WRECO Engineers for design of streets to be repaired under this two (2) phase project. Construction of phase one of this project was performed by DeSilva Gates Construction, L.P. and included improvements in the northern half of the City, most notably on San Leandro Boulevard north of San Leandro Creek.

On July 16, 2018, the City Council awarded a contract to Granite Construction, Inc. for \$1,754,160 for Phase 2 of the subject project and authorized the City Manager to approve contract change orders up to 15% of the total contract amount. This contract overlaid and reconstructed 2.7 lane-miles of roadway on eight different streets. The streets selected for overlay were the worst streets that could be preserved utilizing overlays. The streets selected for rehabilitation were the worst streets within the City. When selecting streets, priority was given to streets that carry more vehicles and streets that are on a bike route. Whereas the first phase of this construction project contained arterials, collectors, and bike routes, this second phase consisted primarily of residential streets. This contract also constructed

approximately \$200,000 in Americans with Disabilities Act (ADA) ramp upgrades that are adjacent to and required by the street work. Additionally, this contract constructed speed cushions on six streets as part of the Neighborhood Traffic Calming Program and point repairs to the sanitary sewer collection system that were identified during or precipitated by the project. A list of the improvement locations is attached to this staff report.

Analysis

The construction of the project is nearing completion. However, the current executed change orders by staff are approaching the existing contract change order cap authorization approved with the award of the project. Authorizing an increase in the change order cap from 15% to 27% or \$263,100 to \$464,572; an increase of \$201,472 will enable staff to complete the project without delay.

During the construction phase of this project, the contractor was directed to perform extra work to install additional improvements that were not included in the original design. Adding these improvements to an ongoing construction project ensured they would be installed promptly. These improvements are as follows:

- Additional asphalt concrete required to stabilize soft base encountered during construction. The original budget amount for this item was \$447,370 and the actual cost is \$661,118, yielding a cost of \$213,748;
- Additional potholes required to identify additional shallow underground utilities encountered during construction. The original budget amount for this item was \$32,000 and actual cost is \$113,000, yielding a cost of \$81,000; and
- Additional effort required to work around a PG&E high pressure gas transmission line on San Leandro Boulevard. The original budget amount for this item was \$0, and the actual cost is \$48,594, yielding a cost of \$48,594.

By the City Council authorizing an increase in the change order cap, staff will be able to provide payment to the contractor for the increased scope of work under the current contract. An increase of 12% (\$201,472) to the existing contract change order cap is necessary to cover the costs of the extra work.

Current Agency Policies

- Maintain and enhance San Leandro's infrastructure.

Previous Actions

- On November 20, 2017, by Resolution No. 2017-165, the City Council authorized increasing the scope and fee of WRECO's original contract amount of \$258,490 by 40% (an increase of \$103,396) to include design of pedestrian and safety features on San Leandro Boulevard.
- On July 17, 2017, by Resolution No. 2017-112, the City Council awarded a construction contract to DeSilva Gates Construction, L.P. for construction of phase 1 in the amount of \$3,048,462.
- On November 7, 2016, by Resolution No. 2016-142, the City Council approved a contract with WRECO to design the street repairs in the amount of \$258,490.
- On July 16, 2018, the City Council awarded a contract to Granite Construction Inc. for \$1,754,160 for the subject project and authorized the City Manager to approve contract change orders up to 15% of the total contract amount.

Applicable General Plan Policies

- **Policy CSF-6.8 Maintenance:** Ensure that sufficient funding is provided for the ongoing maintenance of City-owned facilities, including streets, street lights, traffic signals, landscaping, street trees, storm drains, public buildings, and other infrastructure.
- **Transportation Goal T-2:** Design and operate streets to be safe, attractive, and accessible for all transportation users whether they are pedestrians, bicyclist, transit riders or motorists, regardless of age or ability.
- **Transportation Goal T-3:** Promote and accommodate alternative, environmentally-friendly methods of transportation, such as walking and bicycling.
- **Transportation Goal T-5:** Improve major transportation arteries for circulation in and around the city.
- **Transportation Goal T-7:** Improve traffic safety and reduce the potential for accidents on San Leandro streets.

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 March 24, 2017.

Summary of Public Outreach Efforts

- The streets to be repaved are posted on the City's website and were displayed at the Cherry Festival and both 2018 Town Hall meetings.
- Properties adjacent to the work received notification from the City and a second notification from the Contractor prior to starting work.
- The Notice to Bidders was published in the Daily Review, the South County Post, Visión Hispana and Sing Tao. Staff also notified 23 builders' exchanges and construction data firms as well as a list of contractors that ask to be notified of bidding opportunities via email.

Fiscal Impacts (section to be updated)

The estimated project cost is \$6,902,732 as described below

NCE design contract	\$626,000
WRECO design contract	\$361,000
Other design costs	\$102,000
Phase 1 construction contract	\$3,395,092
Phase 2 construction contract	\$2,218,732
<u>Construction management and inspection</u>	<u>\$199,908</u>
Total	\$6,902,732

Budget Authority

This street rehab project was funded as follows:

<u>Account No.</u>	<u>Reso., Appropriation Dates & Source</u>	<u>Amount</u>
140-38-334	Reso. 2016-121, Gas Tax	\$69,418
141-39-024	FY 2016-17 Budget, Measure BB Grant	\$3,000,000
141-38-377	FY 2016-17 Budget, Measure BB	\$1,275,000
144-38-377	FY 2016-17 Budget, Measure B	\$ 310,000
142-38-377	FY 2016-17 Budget, Gas Tax	\$ 380,000
143-38-392*	FY 2017-18 Budget, Measure F (VRF)	\$626,500
150-38-405	Reso. 2016-157, CalRecycle Grant 15-16	\$201,025
210-38-377	FY 2016-17 Budget, General Fund	\$1,000,000
<u>593-52-266</u>	<u>FY 2016-17, WPCP Enterprise Fund</u>	<u>\$40,789</u>
Sub Total		\$6,902,732

**original appropriation is greater than amount needed for this project*

Attachment to Staff Report

- Project Street List

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