



Legislation Text

File #: 20-026, **Version:** 1

Staff Report for a City of San Leandro City Council Resolution to Increase the Construction Contract Change Order Cap Authorization from 25% to 90% (from \$20,605 to \$74,178; an increase of \$53,573) to the Original Construction Contract Amount of \$82,420 with Pacific Underground Services for the Heron Bay Levee Maintenance Project, Project No. 2006.0111; to approve an Individual Change Order of \$43,262 or 53% of the Original Construction Contract Amount of \$82,420; and to Authorize Appropriation of an Additional \$45,000 from the Heron Bay Maintenance Assessment District Fund Balance for the Project 147-42-150-5240 in Fiscal Year 2020-2021, for a Total Vendor Contract Amount of \$125,682 and a Total Cost of \$156,598 including Additional Authorized Change Orders.

SUMMARY AND RECOMMENDATIONS

Final permit requirements mandate site debris removal work that was not included in the original contract. Staff recommends this work be completed through a Contract Change Order (CCO) to the original contract for expediency and cost effectiveness.

Staff recommends the following actions:

- Authorize an increase to the CCO cap from 25% to 90% (from \$20,605 to \$74,178; a Change Order Cap Increase of \$53,573) to the original contract amount of \$82,420 with Pacific Underground Construction for the subject project;
- Approve an individual change order of 53% of the original construction contract with Pacific Underground Services in the amount of \$43,262 for debris removal work required by permit; and
- Appropriate \$45,000 from the Heron Bay Maintenance Assessment District Fund Balance, to Account No. 147-42-150-5240 for the project.

BACKGROUND

This project is undertaken as part of the Heron Bay Maintenance Assessment District (Assessment District 96-3) work plan. Services to the District are provided by the City of San Leandro's Engineering and Transportation, Public Works, and Police Departments; the County of Alameda Public Works Agency; outside consultants, and outside contractors. The Assessment District provides funding for the maintenance of certain public improvements constructed as part of the Heron Bay Housing development including the marshlands and trail areas at the westerly end of Lewelling Boulevard.

The proposed improvements will protect the levee and the adjacent Bay Trail segment that is threatened by undermining due to erosion. This project will remove un-engineered rubble and install engineered structural rip-rap improvements for a distance extending 87 feet south of the current terminus of the engineered rip-rap to repair and reinforce a portion of the levee that was damaged from storm surges and erosion.

A construction contract to complete this work was awarded to Pacific Underground Services at the October 7th, 2019 San Leandro City Council Meeting. This work is only permitted during the Fall in order to minimize impacts to sensitive species. Staff put the project out to bid before all regulatory permits were obtained in order to try and accomplish the work during Fall 2019; however, permits could not be obtained in time to use that environmental window and therefore the work will occur during Fall 2020.

Analysis

During the final permitting approval phase with the Regional Water Quality Control Board (RWQCB), the agency requested compensatory debris removal equivalent to all the new rip-rap material placed within the Bay. This is a new condition that was not required on prior City levee maintenance projects. Although the City argued that it was only removing existing failed erosion control materials similar to prior maintenance projects, the RWQCB determined that the existing damaged section being repaired was not an engineered levee. Therefore, the agency viewed the proposed work as 'new' levee construction requiring mitigation measures.

The final mitigation measure agreed to by the RWQCB for permit approval included the removal of an approximately 240-square foot by 5 foot tall abandoned dock beached south of the work area as well as concrete and debris removal over an adjacent 450 square foot area. This work was not included in the original bid documents.

Staff recommends completing this additional work as a change order to the current construction contract with Pacific Underground Services. Other options, such as rebidding the project or issuing a new separate contract for this removal work, would delay the project for another year in order to comply with the required Fall construction window. The contractor has provided a change order proposal of \$43,262 to complete this additional removal work, which would increase their contract total amount from \$82,420 to \$125,682. The proposed cost is reasonable given the remote location and because the dock is constructed with creosote-treated railroad ties that require special handling and disposal.

If the City Council approves, the revised contract value with the debris removal work will be \$125,682. Because the work involves excavation it is possible that unforeseen conditions will be uncovered, and these conditions may require a change in the contract scope. In order to avoid delay and allow a timely response to change orders, Staff requests authority to issue construction change orders up to 25% of the revised contract value. Authorizing 25% construction change orders on the proposed increased contract value would equal a maximum contract value of \$156,598; or 90% above the original contract value.

Staff also recommends that \$45,000 in funding be appropriated to the Heron Bay Levee Maintenance Project from the Heron Bay Maintenance Assessment District fund balance to cover the additional cost of this work and provide funding for the desired construction contingency at the start of work.

Current Agency Policies

- Maintain and enhance San Leandro's infrastructure.

Previous Actions

- On October 7, 2019, by Resolution No. 2019-168, City Council approved a contract with Pacific Underground Services for \$82,420 for the Heron Bay Levee Maintenance, Project No. 2006.0111.

Committee Review and Actions

- On September 4, 2019 staff updated the City Council Facilities and Transportation Committee on the project scope, cost and schedule.

Applicable General Plan Policies

- Policy OSC-1.2 Park Maintenance. Provide for the regular, systematic maintenance of San Leandro's parks and recreational facilities to prevent deterioration, ensure public safety, and permit continued public use and enjoyment.

Permits and/or Variances Granted

Permits were obtained from the following agencies for this project:

- Army Corps of Engineers (including consultations with the National Fish and Wildlife Service)
- Bay Conservation and Development Commission (BCDC)
- San Francisco Bay Regional Water Quality Control Board (RWQCB)

Environmental Review

This project was deemed Categorically Exempt per California Environmental Quality Act (CEQA) section 15310 Class 1 (d) for existing structures. A CEQA Notice of Exemption was recorded on June 12, 2015 with the Alameda County Recorder's Office.

Summary of Public Outreach Efforts

Public Notices of the BCDC permit application were posted along the Bay Trail entrance at the southern end of Monarch Bay Drive, as well as on a bridge crossing west of Bayfront Drive.

Fiscal Impacts

The activities of the Heron Bay Maintenance Assessment District have no fiscal impact on the City funds since they are supported by annual levy assessments. All administrative and maintenance costs associated with the District are included within these assessments.

The total expected \$395,000 cost of the project consists of the following:

Permitting	\$103,600
Design	\$ 72,000
Total Construction Contract	\$125,682 (including requested increase)
Construction Contingencies	\$ 31,420

Construction Management	\$ 42,298
<u>Site Biological Monitoring</u>	<u>\$ 20,000</u>
Total Cost	\$395,000

Budget Authority

This project will be funded from the Heron Bay Maintenance Assessment District (Assessment District 96-3) as follows:

Current Funding:

<u>Account No.</u>	<u>Resolution. Appropriation Date</u>	<u>Amount</u>
147-42-150-5240	Res. 2019-168 Oct 7, 2019	\$350,000
Subtotal Current Funding:		\$350,000

Appropriation from Fund Balance requested by this action:

<u>Source</u>	<u>FY</u>	<u>Amount</u>
Heron Bay Maint. Assessment District 96-3	FY20/21	\$ 45,000
Subtotal Additional Appropriation:		\$ 45,000

Total Proposed Project Funding: \$395,000

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