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Title: CONSIDER APPROVAL AND RATIFICATION OF CERTAIN CHANGE ORDERS AND APPROVAL OF RESOLUTION NO. 22-258 "A RESOLUTION OF THE CITY OF CARSON CITY COUNCIL AMENDING THE FISCAL YEAR 2022-23 BUDGET IN THE GENERAL FUND AND SPECIAL REVENUE FUNDS" TO PROVIDE ADDITIONAL FUNDING TO COMPLETE THE REMAINING WORK FOR PROJECT NO. 1606: 223RD STREET WIDENING AND PAVEMENT REHABILITATION FROM WILMINGTON AVE TO THE EAST CITY LIMIT (CITY COUNCIL)

Sponsors:

Indexes:

Code sections:

Attachments: 1. Location Map, 2. Construction Contract with All American Asphalt, 3. Reso 22-258 - Pavement and Widening, 4. Change Order No. 1, 5. Change Order No. 2

Date	Ver.	Action By	Action	Result
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Report to Mayor and City Council

Tuesday, January 03, 2023

Consent

SUBJECT:

CONSIDER APPROVAL AND RATIFICATION OF CERTAIN CHANGE ORDERS AND APPROVAL OF RESOLUTION NO. 22-258 "A RESOLUTION OF THE CITY OF CARSON CITY COUNCIL AMENDING THE FISCAL YEAR 2022-23 BUDGET IN THE GENERAL FUND AND SPECIAL REVENUE FUNDS" TO PROVIDE ADDITIONAL FUNDING TO COMPLETE THE REMAINING WORK FOR PROJECT NO. 1606: 223RD STREET WIDENING AND PAVEMENT REHABILITATION FROM WILMINGTON AVE TO THE EAST CITY LIMIT (CITY COUNCIL)

I. SUMMARY

Project No. 1606: 223rd Street Widening and Pavement Rehabilitation from Wilmington Avenue to the East City limit is one of the City's Capital Improvement Program (CIP) projects and the project is in the final stage of construction, pending the installation of the SCE street light poles on the south side of the street (Exhibit No. 1).

This project includes reconstruction of concrete improvements and the failing asphalt roadway section of the street with a Pavement Condition Index (PCI) of 26, as

recommended in the Pavement Management Study completed in 2017. The project also included the widening of the 0.20-mile section of the street starting at 1,500 feet east of centerline of Wilmington Avenue going east approximately 1,056 feet in length along the south side of 223rd Street. This portion of the street widening also required the removal and replacement of nine street light poles.

On November 17, 2020, a construction contract (Exhibit No. 2) was awarded to the lowest responsive/responsible bidder All American Asphalt, Inc. in the amount of \$1,671,391.68, and a construction contingency of \$250,708.75 was also authorized.

There have been several unforeseen items such as the removal and testing of an abandoned oil line, additional trenching requested by Southern California Edison for the installation of a new conduit line that needed to be addressed to complete street light pole installation. Staff requests that the City Council approve a budget resolution to provide additional funding of \$175,000.00 for remaining construction work required to complete the project, as well as approve and ratify two previous change orders totaling \$495,596.88 (\$250,708.75 of this amount being covered by the contingency). During construction, it was also necessary to remove a Metropolitan Water District (MWD) vent stack at a cost of \$73,319.31, but this additional cost has been covered with a reimbursement from MWD. This amount is reflected in the total amount of change orders but not in the amount requested.

II. RECOMMENDATION

TAKE the following action:

1. APPROVE and RATIFY the change orders for the total amount of \$495,596.88. City Council previously approved funding for \$250,708.75 of this amount as a contingency. (Exhibit No.'s 4-5).
2. ADOPT Resolution No. 22-258, "A Resolution of the City Council of the City of Carson amending the fiscal year 2022-23 budget in the General Fund and Special Revenue Funds" appropriating \$175,000 from the SB1 Fund balance to cover pending change orders, other additional work, and other unforeseen construction work that may be required to complete Project No. 1606: 223rd Street Widening and Pavement Rehabilitation from Wilmington Avenue to the East City limit (Exhibit No. 3).

III. ALTERNATIVES

1. DO NOT APPROVE and RATIFY the change orders nor the expenditure of an additional construction fund in the amount of \$175,000, however, this alternative may not allow for the full completion of the scope of work for the project as planned.
2. TAKE another action the City Council deems appropriate consistent with the requirements of the law.

IV. BACKGROUND

Project No. 1606: 223rd Street Widening and Pavement Rehabilitation from Wilmington Avenue to the East City limit is one of the projects in the City’s Capital Improvement Program (CIP).

On November 17, 2020, a construction contract was awarded to the lowest responsive/responsible bidder, All American Asphalt, Inc. in the amount of \$1,671,391.68. The City Council also authorized the expenditure of a construction contingency in an amount not to exceed \$250,708.75 for change orders such as the removal and remediation of contaminated soil, substructure conflicts, and other unforeseen construction work that may be required to complete this project.

Due to field conditions, the project experienced the following additional work needed that impacted the budget and depleted the project contingency:

No.	Scope Item Description	Amount
1.	Additional cost to furnish and install new conduit lines at a deeper depth for the installation of the new streetlights on concrete poles (Change Order No. 2, Item 2, Exhibit 5)	\$193,746.15
2.	Unforeseen removal and testing of abandoned oil line at the widening portion of the project on 223 rd street (Change Order No. 1, Item 6, Exhibit 4)	\$33,815.23
3.	Additional cost for the potholing for the installation of streetlight poles (C.O. 1, Item 5 and C.O. 2 Item 2, Exhibits 4 and 5)	\$17,568.41
4.	Additional removal and construction of sidewalk and curb and gutter (Change Order No. 1, Item 3, Exhibit 4)	\$108,153.00
5.	Changes to Signing and Striping per revised plans (Change Order No. 2, Item 4, Exhibit 5)	\$7,585.76
6.	Relocation of MWD vent stack	\$73,319.31
7.	Additional Project bid item quantities (Change Order No. 2, Item 5, Exhibit 5)	\$61,409.02
	TOTAL Change Orders	\$495,596.88

The total cost of the above improvement Nos. 1-5 and associated amount for change orders is \$495,596.88. Given that the available contingency fund authorized for this project is only \$250,708.75, there is a shortfall of approximately \$175,000.00 to cover the remaining work. At this point, additional funding is necessary to move forward with the completion of the project. Accordingly, staff is seeking City Council ratification and approval of the change orders (Exhibit Nos. 4-5) to authorize the funding. The change orders were

signed by the contractor and staff on December 8, 2022.

The change orders also provide for retroactive time extensions for the contractor (All American Asphalt) to complete the work. Article VI of the construction contract (Exhibit No. 2) provides that the contractor shall complete all work within 100 working days, starting from 10 days after the date on which the Letter of Award was sent by the City to the contractor, and in accordance with any schedule developed pursuant to the contract. Article VI also provides that if the work is not completed within said timeframes, the contractor will be liable for liquidated damages of \$750 per day. Change order no. 1 (Exhibit No. 4) provides for a time extension of 65 additional working days (to May 13, 2022) for relocation and removal of existing utilities and 85 additional working days (to May 13, 2022) for hydrotesting of abandoned oil pipeline found within the project site. Change order no. 2 (Exhibit No. 5) provides for a time extension of 83 additional working days (to September 19, 2022) for potholing and installation of new conduit line per revised SCE plans.

Staff anticipates that the last part of the project, the installation of the streetlights, will be completed in January 2023, and staff will bring the project back to the City Council to accept the project as complete in the future.

V. FISCAL IMPACT

The total construction bid amount for this improvement project was \$1,671,391.68. A construction contingency in the amount of \$250,708.75, representing 15% of the total construction bid, is available for change orders and other unforeseen construction work that may be required to complete this project. Due to the location and nature of the project, the cost of change orders has consumed the budgeted construction contingency fund for this project. An additional amount of \$175,000.00 is needed to complete the project and to cover the cost of the extended services by All American Asphalt, Inc.

These funds were not included in FY 22/23 budget; therefore, the budget will need to be increased by \$175,000.00. Therefore, additional funds of \$175,000.00 should be appropriated from the SB1 Fund balance. (Exhibit No. 3).

VI. EXHIBITS

1. Location Map. (pg. 5)
2. Construction Contract with All American Asphalt (pgs. 6-35)
3. Resolution No. 22-258 (pgs. 36-37)
4. Change Order No. 1 (pgs. 38-40)
5. Change Order No. 2 (pgs. 41-44)

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