



Legislation Text

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Report to Mayor and City Council

Tuesday, April 02, 2024

Consent

SUBJECT:

CONSIDER APPROVAL OF AMENDMENT NO.1 TO AGREEMENT WITH R.J. NOBLE COMPANY FOR PROJECT NO. 1393-4: CITYWIDE ANNUAL OVERLAY PROGRAM AND PROJECT NO. 1411-4: CITYWIDE ANNUAL CONCRETE REPLACEMENT PROGRAM, MAIN STREET FROM CARSON STREET TO VICTORIA STREET (CITY COUNCIL)

I. SUMMARY

On February 7, 2023, the City Council awarded a construction contract to R.J. Noble Company in the amount of \$3,457,469.37 (Exhibit No. 1) and authorized the expenditure of construction contingencies in the amount of \$518,620.40 (15%) for change orders and any unforeseen construction work for Project No. 1393-4: Citywide Annual Overlay Program, and Project No. 1411-4: Citywide Annual Concrete Replacement Program. These projects include the improvement of Main Street from Carson Street to Victoria Street.

The agreement entered on March 22, 2023, by and between the City of Carson and R.J. Noble Company, under section 1.12 (b) "Additional Work and Change Orders," requires any increase in compensation greater than ten percent (10%) of the contract sum to be approved by City Council.

Staff is requesting City Council to consider approval of Amendment No. 1 to existing agreement with R.J. Noble Company. Amendment No.1 (Exhibit 2) will authorize staff to approve increases greater than 10% of the contract sum for change orders and added scope up to the amount of the contingency (15%) approved by the City Council at the time the project was awarded to the contractor.

II. RECOMMENDATION

TAKE the following actions:

1. AUTHORIZE and REAFFIRM the expenditure of the full project contingency totaling \$518,620.40 (15%) previously budgeted during the contract award per staff report 2022-500 (Exhibit 3).

2. APPROVE Amendment No. 1 to Public Works Agreement with R.J. Noble Company, Inc.
3. AUTHORIZE the Mayor to execute Amendment No. 1 following approval as to form by the City Attorney.

III. ALTERNATIVES

1. DO NOT APPROVE the above recommendations.
2. TAKE another action the City Council deems appropriate consistent with the requirements of the law. However, staff will not be able to spend the full contingency amount previously approved by the City Council.

IV. BACKGROUND

Project No. 1393-4: Citywide Annual Overlay Program and Project No. 1411-4: Citywide Annual Concrete Replacement Program is included in the City's Capital Improvement Program (CIP) list. The Annual Overlay and Concrete Replacement Program will improve Main Street from Carson Street to Victoria Street. It consists of grinding two inches of the existing asphalt pavement and resurfacing with a 2" Asphalt Rubber Hot Mix. The project also includes improving concrete pavement, sidewalk, driveway approaches, curb and gutter, access ramps and restoring striping and traffic loops.

On February 7, 2023, City Council awarded a construction contract to R.J. Noble Company in the amount of \$3,457,469.37 and authorized the expenditure of construction contingencies in the amount of \$518,620.40 (15%) for change orders and any unforeseen construction work.

While the City Council authorized the expenditures of 15% contingencies amounting to \$518,620.40, the fully executed contract agreement only allows City's Director of Public Works or City Engineer to approve change orders for an increase in amount of up to 10% of the contract sum thereby prohibiting staff from utilizing the full contingency amount approved by the City Council. Section 1.12(b) of the Agreement with RJ Noble Company states that any increases greater than 10% of the contract sum must be approved by the City Council.

Staff anticipates that the cost of change orders, unforeseen work, and added scope will exceed 10% of the contract sum, but not exceed 15% of the authorized expenditure for construction contingencies.

Staff is requesting City Council to approve Amendment No. 1 to allow staff to approve increases greater than 10% of the contract sum for change orders and added scope and reaffirm the expenditure of the full project contingency totaling \$518,620.40 (15%) previously budgeted when a construction contract was awarded to R.J. Noble, staff report 2022-500.

The anticipated completion date for Project No. 1393-4: Citywide Annual Overlay Program and Project No. 1411-4: Citywide Annual Concrete Replacement Program is in May 2024.

V. FISCAL IMPACT

None. Funds in the amount of 3,496,000.00 were allocated in the FY 2022/23 5-Year CIP budget along with a 15% contingency of \$518,620.40.

VI. EXHIBITS

1. Agreement with R.J. Noble Company (pg. 4- 59)
2. Amendment No. 1 to Agreement with R.J. Noble Company (pg. 60-66)
3. Staff Report 2022-
500 - Award Construction Contract (pg. 67-70)

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