



CITY COUNCIL AGENDA REPORT

MEETING DATE: MARCH 20, 2007

ITEM NUMBER:

SUBJECT: NEWPORT BOULEVARD IMPROVEMENT PROJECT DESIGN CHANGE ORDER

DATE: MARCH 7, 2007

FROM: PUBLIC SERVICES DEPARTMENT - TRANSPORTATION SERVICES DIVISION

PRESENTATION BY: WILLIAM J. MORRIS, PUBLIC SERVICES DIRECTOR

**FOR FURTHER INFORMATION CONTACT: PETER NAGHAVI, TRANSPORTATION SERVICES
MANAGER, (714) 754-5182**

RECOMMENDED ACTIONS:

- 1) Approve Contract Change Order No.1 (Attachment 1) to TRC Solutions, Inc. in the amount of \$70,163.87 for additional design services proposed for the Newport Boulevard Improvement Project.
- 2) Authorize the City Manager to sign the Budget Adjustment (Attachment 2) covering the additional design contract cost.

BACKGROUND:

In March of 2002, the Orange County Transportation Authority (OCTA) Board of Directors awarded a Regional Surface Transportation Program (RSTP) grant of \$700,000 and a Growth Management Area (GMA) grant of \$95,000 to design improvements along Newport Boulevard extending from 17th Street to 19th Street. On January 21, 2003, the City Council awarded a contract to Sequeira Infrastructure Associates in the amount of \$789,433.71 to commence preliminary design and prepare an Initial Study/Environmental Assessment (IS/EA) of roadway and streetscape improvements along Newport Boulevard between 17th Street and 19th Street.

The contract included the analysis of traffic and parking conditions, improvements to streetscape and pedestrian accessibility, evaluation of alignment alternatives and potential impacts to businesses. The subject roadway improvements included adding a fourth northbound lane between 17th and 19th Streets and a fourth southbound lane between 19th Street and Broadway. In June of 2005, the City Council approved the Mitigated Negative Declaration (MND) based on a finding of no significant impacts, and directed staff to proceed with final design, right-of-way acquisition and construction work.

On June 27, 2005, OCTA awarded Intersection Improvement Program (IIP) construction phase grants at an amount of \$3,977,000 for improvements between 17th and 19th Streets. Additionally OCTA awarded Growth Management Area (GMA) funds in the amount of \$870,000 for improvements along this segment of Newport Boulevard. The project limits start just south of 17th Street and extends to just north of 19th Street.

In April of 2006 the City secured another grant in the amount of \$1,000,000 for Transportation Enhancement Activities (TEA) related improvements along Newport Boulevard between 17th and 19th Streets. The scope of Newport Boulevard TEA work included further improvements to landscaping and curbside planters, decorative sidewalks, ornamental streetlighting, benches and trash enclosures, decorative guide signs, bus shelters and ADA bus stop amenities to enhance the prior authorized IIP and GMA grant project scopes.

In May of 2006, City Council authorized the updated Professional Services Agreement to recognize TRC Solutions, Inc. as contract successor to Sequeira Infrastructure Associates. This action was based on Sequeira Infrastructure merging with TRC Solutions, with the original staff retained to continue project development.

During the summer of 2006 via ongoing project development team meetings project with the State of California, Caltrans District 12, significant additional roadway rehabilitation work was directed by Caltrans along Newport Boulevard at various locations within the project area to address deteriorating portions of pavement and curb/gutter. Newport Boulevard is owned and operated by Caltrans, and therefore Caltrans has agreed to fund some of these additional improvements. On January 2, 2007, the City Council approved Contribution Agreement No.12-553 with Caltrans District 12 to secure \$330,000 in grant funds for Caltrans' proposed roadway rehabilitation work, to be incorporated into the City's project.

ANALYSIS:

The Newport Boulevard Improvement Project design process by TRC Solutions has been pursued within the budgetary limits of the OCTA IIP and GMA funding awards of June 2005, based on the City's Request for Proposals (RFP) initial project scope. However, the subsequent OCTA TEA grant award of \$1,000,000 issued in April 2006 and Caltrans direction for further curb/gutter and traffic lane structural improvements, along with their funding award of \$330,000 in **January of 2007** have cumulatively provided an additional \$1,330,000 toward expanding the project. The additional enhancements have therefore created the necessity for further engineering and design efforts.

The subject Change Order No.1 (Attachment 1) from TRC Solutions covers the necessary design services required to incorporate the TEA and Caltrans project elements within the Newport Boulevard Improvement Project. The TRC Change Order No.1 at \$70,163.87 constitutes approximately five percent (5%) of the total awarded \$1,330,000 in OCTA TEA and Caltrans appropriations, and is less than ten percent (10%) of the overall design cost. Authorization of the Budget Adjustment (Attachment 2) is recommended to encumber the necessary funds for these services. Council Policy No. 700-1 requires City Council approval if the total amount of the change order exceeds \$50,000 or five percent (5%) of the original contract price, whichever is greater.

ALTERNATIVES CONSIDERED:

The City Council may select to not approve the contract change order. This action would preclude the ability to proceed with the additional OCTA TEA aesthetic enhancements and Caltrans required roadway structural repair work, and will result in the loss of \$1,330,000 in grant funds from these sources.

FISCAL REVIEW:

Funding for the design phase of the Newport Boulevard Improvement project is included in the FY 02-03 Capital Improvement Program (CIP) budget. The budget adjustment (Attachment 2) would be derived from current 06-07 CIP allocations for this project from OCTA GMA sources to cover the design change order. The total cost of design, right-of-way and construction for this project is estimated at \$7,025,000. The project to date has cumulatively received awards of \$5,640,290 through the various OCTA Measure M and Federal & Regional Surface Transportation Program grant sources. The remaining funding has been allocated by the City from Trip Fee and Air Quality Management District (AQMD) funds. Project construction is currently programmed in the FY 06-07 CIP budget. The total change order amount of \$70,163.87 will be funded from GMA sources. Funding is available.

LEGAL REVIEW:

The City Attorney's review is not required with this action.

CONCLUSION:

Additional funding awards in the total amount of \$1,330,000 have recently been received from OCTA TEA and Caltrans sources to augment the scope of the Newport Boulevard Improvement Project, complementing the grants previously received. TRC Solutions has submitted Change Order No.1 for \$70,163.87 to include the additional TEA and Caltrans design work within the project scope. In order to incorporate this design work within the Newport Boulevard Improvement Project, it is recommended that the City Council approve Change Order No.1 (Attachment 1) and authorize the City Manager to execute the Budget Adjustment (Attachment 2).

PETER NAGHAVI
Transportation Services Manager

WILLIAM J. MORRIS
Director of Public Services

MARC PUCKETT
Finance Director

Attachments: Attachment No. 1 - [Change Order No.1](#)
Attachment No. 2 - [Budget Adjustment](#)

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