



# *CITY COUNCIL AGENDA REPORT*

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MEETING DATE: MAY 6, 2008

ITEM NUMBER:

**SUBJECT: WILSON STREET BUS TURNOUT IMPROVEMENT PROJECT BETWEEN FAIRVIEW ROAD AND HARBOR BOULEVARD – CONTRACT CHANGE ORDER**

**DATE: APRIL 24, 2008**

**FROM: PUBLIC SERVICES DEPARTMENT/TRANSPORTATION SERVICES DIVISION**

**PRESENTATION BY: PETER NAGHAVI, DIRECTOR, DEPARTMENT OF PUBLIC SERVICES**

**FOR FURTHER INFORMATION CONTACT: PETER NAGHAVI, DIRECTOR  
DEPARTMENT OF PUBLIC SERVICES (714) 754-5182**

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## **RECOMMENDATION:**

1. Approve the Contract Change Order (CCO) in the amount of \$40,030.00 for the Wilson Street Bus Turnout Improvement Project between Fairview Road and Harbor Boulevard - City Project No. 07-20 (Attachment 1).
2. Authorize the City Manager to execute the CCO.

## **BACKGROUND:**

The Wilson Street project involves localized improvements at bus stop locations on both the north and south sides of the street between Fairview Road and Harbor Boulevard. The project includes relocation of utilities and other existing improvements to allow for localized widening of Wilson Street to accommodate construction of bus turnouts at three locations in the segment. The improvements will result in placing bus stops outside of existing traffic lanes, and therefore preventing disruption of traffic flow, providing increased traffic safety in this segment of Wilson Street. (Attachment 2).

The final design process for this project was completed in August 2007, and the City Council at their regular meeting of November 6, 2007, awarded a construction contract to Roadway Engineering & Contracting, Inc. (Contractor), in response to their low bid of \$204,504.60.

## **ANALYSIS:**

Following excavation of existing facilities, the Contractor discovered a variety of issues that were not reflected in the construction documents. Among these included the presence of an abandoned underground pipe that required complete removal before work could continue. Other items included incorrect quantity estimation of materials specified in bid items, therefore requiring increased amounts of material in order to complete the desired work.

The additional work necessary for removal of the abandoned underground pipe and the quantities of the materials not reflected in the construction documents are a necessary component to complete the work in a satisfactory and acceptable manner. Accordingly, based on staff review and discussion, the Contractor has been directed to continue work as necessary to complete construction in compliance with the design specifications and to prevent delays.

Based on the additional work required, the Contractor submitted a change order in the amount of \$40,030.00. This amount represents only the added costs to remove the abandoned underground pipe and furnish the quantity of materials needed to complete the work. This amount would have been charged accordingly if the omissions had not occurred originally. No added charges or fees have been assessed by the Contractor for overhead or other items. This change order represents approximately 19 percent of the overall contract price for the project. City Council authorization is required for all CCO's exceeding 10% of the contract value.

**ALTERNATIVES CONSIDERED:**

The alternative to this Council action would be to reject the CCO. This will require the contractor to suspend all further work, resulting in incomplete construction of a portion of the project.

**FISCAL REVIEW:**

Funding for the Wilson Street Bus Turnout project is provided via an appropriation of \$296,000 from Community Development Block Grant (CDBG) funds for design, right-of-way acquisition, and construction. Appropriated and expended funding, including the current construction contract, totals \$242,359.60, therefore, a balance of funding in the amount of \$53,640.40 remains in the project account available for the CCO.

**LEGAL REVIEW:**

No legal review is required for this item.

**CONCLUSION:**

Roadway Engineering & Contracting, Inc., the contractor for the Wilson Street Bus Turnout Improvement project, has submitted a Contract Change Order in the amount not to exceed \$40,030.00 due to the discovery of an abandoned underground pipe requiring removal, and incorrect quantity estimation of materials specified in the construction documents for construction of three bus turnouts.

Staff has determined that the work required in the CCO is justified and the Contractors request is valid. The cost provided by the contractor is for the additional work and materials only and does not include any added charges or fees for overhead costs or any other items. As this amount exceeds the 10% threshold, City Council approval is required for the execution of the CCO. Staff recommends City Council approval of the CCO and requests authorization of the City Manager to execute the CCO.

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**PETER NAGHAVI**  
Director of Public Services

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**MARK PUCKETT**  
Director of Finance

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ATTACHMENTS:    "1"    [Contract Change Order](#)  
                      "2"    [Project Map](#)

DISTRIBUTION: City Manager  
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