



City of San Leandro

Meeting Date: November 1, 2021

Staff Report

File Number: 21-569 **Agenda Section:** CONSENT CALENDAR

Agenda Number: 8.E.

TO: City Council

FROM: Fran Robustelli
City Manager

BY: Keith Cooke
Engineering & Transportation Director

FINANCE REVIEW: Susan Hsieh
Finance Director

TITLE: Staff Report for a City of San Leandro City Council Resolution to Authorize the City Manager to Execute Construction Change Orders with DeSilva Gates Construction to Add Work to the Annual Street Overlay/Rehabilitation 2018-20; Project No. 2019.0050

SUMMARY AND RECOMMENDATIONS

This request would increase the maximum value of change orders that may be executed on the contract for construction of the Annual Street Overlay/Rehabilitation 2018-20; Project No. 2019.0050.

Staff recommends authorizing the City Manager or her designee to execute cumulative change orders up to 33% of the original contract amount.

BACKGROUND

The City Council awarded the contract for construction of the Annual Street Overlay/Rehabilitation 2018-20 project to DeSilva Gates Construction, LP (DGC) and authorized Staff to execute cumulative change orders up to 25% of the original contract amount on July 6, 2020.

Attached is a table listing existing and potential contract change orders for DGC. The total estimated value of the identified items represents 29% of the original contract amount. The most significant items are as follows:

Potential change order - \$420,000 to adjust paving prices for increases in crude oil prices: Crude oil is used in the production of asphalt concrete and has a direct relationship to the cost of producing the material. Bids were opened in May 2020 which coincided with the lowest crude oil prices of the last few years. There was a price depression that was likely driven by a drop in demand due to COVID 19 safety measures. The low crude oil price contributed to a bid that was 25% below the Engineer's estimate; however, crude oil prices quickly returned to normal levels.

As is standard in the industry, the contract has provisions for adjustment to paving prices when the crude oil price changes by more than 10%. Crude oil prices fluctuate by month and are currently about 370% above the price at bid. This change represents 5.3% of the original contract price.

Existing change order - \$240,499 to add pedestrian crossing improvements: The City received a grant for the purchase of pedestrian crossing safety equipment in the Spring of 2021, which was used to purchase Rectangular Rapid Flashing Beacons (RRFB). Installation of this equipment, concrete work to bring the crossings up to current standards, and striping work to delineate the crossings were additions to the contract. Work was installed at MacArthur Boulevard and Victoria Avenue, Lewelling Boulevard and Dewey Street, Lewelling Boulevard and Calgary Street, and Lewelling Boulevard and Andover Street. This addition represents 3.0% of the original contract price.

Existing change order - \$173,250 to increase the thickness of pavement placed on Williams Street: During construction, it was discovered that the west bound side of the street had significantly less pavement than originally believed. This change ensures that the pavement will perform as intended. This addition represents 2.2% of the original contract price.

Existing change order - \$171,600 to regrade Williams Street: During construction, it was discovered that the grades specified by the design engineer were incorrect and they were subsequently revised. Constructing the road to the revised grades required bringing equipment back to the site and off hauling additional material. This change represents 2.2% of the original contract price.

Existing change order - \$152,360 to add concrete driveway approaches on various streets at the request of property owners: Prior to construction, staff contacted property owners and asked that any planned work to driveway approaches be done before the City paved the street. Staff also offered to include this work in the construction contract provided that the property owner agreed to pay the cost of installation. Subsequent to bidding, the City received additional requests for installation of concrete driveway approaches. Participating property owners will reimburse a portion of these cost. This addition represents 1.9% of the original contract price.

Existing change order - \$144,000 to phase work on Marina Boulevard to permit 2-way traffic during work hours: The City requested that the contractor grade and pave Marina Boulevard in four phases to minimize the inconvenience to the public and to maintain 2-way traffic between Aurora Drive and Neptune Drive so that public transit didn't have to be detoured. This change represents 1.8% of the original contract price.

Existing change order - \$140,393 to replace seventeen curb ramps on Corvallis Street: During construction, it was discovered that seventeen ramps on Corvallis Street had insufficient width to meet current ADA standards. This change represents 1.8% of the original contract price.

Existing change order - \$123,860 to add speed cushions and speed feedback signs on various streets to meet Neighborhood Traffic Calming Program request. This addition represents 1.6% of the original contract price.

We are approximately 80% complete with the work and plan to be done before the end of 2021.

Analysis

The City identified actual and potential change order items representing 28% of the original contract amount; additional items may be identified as the work progresses.

In order to complete the work without delay, minimize impacts to the public, and minimize cost, staff recommends authorizing the City Manager or her designee to execute cumulative change orders up to 33% of the original contract amount.

Current Agency Policies

- Maintain and enhance San Leandro's infrastructure

Previous Actions

- On July 6, 2020, by Resolution No. 2020-085, the City Council awarded a contract to DeSilva Gates Construction, LP for the Annual Street Overlay and Rehabilitation 18-20 Project.

Applicable General Plan Policies

- Policy CSF-6.8 Maintenance:
Ensure that sufficient funding is provided for the ongoing maintenance of City-owned facilities, including streets, streetlights, traffic signals, landscaping, street trees, storm drains, public buildings, and other infrastructure.

Permits and/or Variances Granted

- Caltrans encroachment permits were obtained for work on Oakes Boulevard and E 14th Street as well as Washington Avenue at the I-880 overcrossing.
- Union Pacific Railroad encroachment permits were obtained for work on Halcyon Drive.

Environmental Review

This project is categorically exempt from the California Environmental Quality Act (CEQA) per Section 15301(c) of the CEQA guidelines. The Notice of Exemption was filed with the Alameda County Recorder on September 27, 2019.

Summary of Public Outreach Efforts

The streets to be repaved are posted on the City's website. Properties adjacent to the work received a notification from the City and a second notification from the Contractor prior to the

work. No parking signs were posted in advance of the work.

Fiscal Impacts

The project cost is as described below:

Design and Bid	\$ 960,000
Work done by Construction Contract 17-18	\$325,000
EBMUD new services	\$100,000
Construction Contract 18-20	\$7,876,926
Construction Contract Change Orders (33%)	\$2,599,385
<u>Construction Management and Inspection</u>	<u>\$595,000</u>
Total	\$12,456,311

Budget Authority

This street rehabilitation project will be funded as follows:

<u>Account No.</u>	<u>Reso. Appropriation Dates & Source</u>	<u>Amount</u>
144-38-401	FY 2018-19 Budget, Measure B*	\$1,060,000
141-39-401	FY 2018-19 Budget, Measure B and BB**	\$2,875,000
210-38-413	FY 2019-20 Budget, General Fund***	\$1,540,000
141-39-402	FY 2019-20 Budget, Measure B and BB	\$7,000,000
120-38-416	FY 2019-20 Budget, DFSI****	\$91,493
120-38-515	FY 2021-22 Budget, DFSI****	\$60,530
<u>593-52-530</u>	<u>FY 2021-22 Budget, WPCP Enterprise****</u>	<u>\$216,000</u>
Total		\$12,843,023

Asterisks indicate amount listed is less than amount appropriated in the budget, see details below.

*\$340,000 moved to Pedestrian Crossing 17-18 project via Resolution No. 2018-113.

**\$900,000 moved to Street Overlay and Reconstruction 16-17 via Resolution No. 2018-080 and \$3,225,000 moved to Street Overlay and Reconstruction 17-18 via No. Resolution 2018-081.

***\$720,000 reserved for use on Street Overlay and Reconstruction 19-21.

****These accounts are for traffic calming and sanitary sewer point repair programs; only the value constructed by this project is listed.

Attachment to Staff Report

- Table - Existing and Potential Change Orders

PREPARED BY: Nick Thom, City Engineer, Engineering and Transportation Department

Annual Street Overlay and Rehabilitation 18-20
 Contract with DeSilva Gates Construction
 Existing and Potential Change Order Summary

CCO	Description	Amount
1	Add additional curb ramp work	\$32,425
1	Add additional valley gutter work	\$11,710
2	Add additional curb ramp work	\$7,200
3	Replace non standard driveway approaches within the project limits at the request of property owners. Represents the amount of work that was requested by property owners	\$152,360
4	Add additional curb ramp work	\$43,243
4	Change irrigation at Marina/Aurora and Corvallis/Farnsworth to comply with EBMUD requirements for water usage.	\$11,868
4	Revise curb ramp at Graff Ct to accommodate existing slopes and walkways.	\$6,500
5	Replace 17 existing curb ramps on Corvallis found to be non-compliant	\$67,500
5	Add speed feedback signs on Bancroft and speed cushions on Harlan.	\$63,330
5	Add concrete repairs to the median on Halcyon	\$18,670
5	Add additional signal detector loops to be reset, and detector hand holes to be demolished and reset to match actual number in the field.	\$10,000
6	Increase HMA quantity	\$143,169
6	Add additional concrete and AC work related to 17 new ramps on (Corvallis)	\$72,893
6	Add additional concrete removal	\$57,260
6	Add additional signal detector hand holes to be demolished and reset to match actual	\$55,500
6	Add additional qty of irrigation sleeves	\$15,700
6	Revise SD connections at Marina/Aurora due to conflict with existing utility	\$10,175
6	Add additional valley gutter work	\$4,015
6	Add additional quantity of signage and striping	\$1,980
7	Add striping and pavement work on Halcyon to provide a complete project while we wait for the railroad to approve widening of Halcyon.	\$28,480
7	Add pavement work on Rosewood to accommodate new valley gutter and improve drainage	\$10,160
7	Add modification of video detection at Washington Springlake to match work shown on	\$6,330
7	Add RRFBs at 4 crossings on Lewelling and MacArthur – signage.	\$2,677
8	Regrade Williams Street to match new design based on new topographic survey	\$171,600
8	Add speed cushions	\$60,530
9	Increase pavement thickness on Williams Street to compensate for less existing pavement than anticipated.	\$173,250
10	Install 12 RRFB poles and equipment and 4 new curb ramps at 4 crossings on Lewelling and	\$240,499
11	Phase paving work on Marina to permit 2 way traffic and maintain bus service, part 1	\$129,000
11	Expand paving limits on Marina at Aurora to extend full length of new concrete bulb outs on	
11	Aurora. Limit work to Saturday to avoid conflict with school traffic.	\$34,793
11	Demo speed cushions on Wicks at Marina in conflict with bike route	\$5,676
11	Sandblast concrete to remain that was painted in error	\$3,000
11	Demolished unforeseen buried concrete on Williams	\$2,115
11	Install temporary AC ramps at steep driveway approaches on Oakes	\$1,405
TBD	AC price adjustment due to changes in oil price index	\$420,000
TBD	Changes to pavement work to accommodate existing gas line and driveway access for ACI	\$85,000
TBD	Work on Halcyon around RR tracks caused by delay in road widening by developer	\$45,000
TBD	Changes in pavement removal quantity on Marina caused by new design based on new	
TBD	topographic survey	\$35,000
TBD	Phase paving work on Marina to permit 2 way traffic and maintain bus service, part 2: k rail	\$15,000
TBD	Add paving at Boys and Girls Club ADA parking space	\$10,000
TBD	Add paving fabric Marina Blvd at soft subgrade areas	\$40,000
	Total existing and potential Change Orders as of 10/8/2021	\$2,305,013



City of San Leandro

Meeting Date: November 1, 2021

Resolution - Council

File Number: 21-570 **Agenda Section:** CONSENT CALENDAR

Agenda Number:

TO: City Council

FROM: Fran Robustelli
City Manager

BY: Keith Cooke
Engineering & Transportation Director

FINANCE REVIEW: Susan Hsieh
Finance Director

TITLE: RESOLUTION of the City of San Leandro City Council to Authorize the City Manager to Execute Construction Change Orders with DeSilva Gates Construction to Add Work to the Annual Street Overlay/Rehabilitation 2018-20 Project (increases the maximum value of change orders that may be executed on the contract for construction of the Annual Street Overlay/ Reconstruction 2018-20; Project No. 2019.0050)

WHEREAS, City of San Leandro entered into a contract with DeSilva Gates Construction for construction of the Annual Street Overlay/Rehabilitation 2018-20; Project No. 2019.0050 on July 6, 2020; and

WHEREAS, the City Council is familiar with change orders made to the contract to date; and

WHEREAS, for various reasons, as more fully described in the staff report associated with this Resolution, the work is incomplete and additional change orders are required.

NOW, THEREFORE, the City Council of the City of San Leandro does RESOLVE as follows:

1. That the City Manager or her designee is authorized to negotiate and approve cumulative change orders up to a maximum of 33% (\$2,599,385) of the original contract amount.