



Monterey County

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Board Report

Legistar File Number: 15-0088

February 10, 2015

Introduced: 1/27/2015

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Matter Type: General Agenda Item

- a. Authorize an increase to the contract contingencies in the amount of \$71,380 corresponding to an additional 10% of the original contract value plus \$126,640 for Change Order No. 5, for a total contingency amount of \$269,400 to provide funding for enhanced bicycle lane marking and striping for the Davis Road Class II Bikeway Project, Project No. 14-869465, State Project No. EA 05-4A2784L, Federal Aid Project No. HRRRL-5944(104) (4/5th vote required); and
- b. Ratify the Director of Public Works approval of Change Order No. 5 in the amount not to exceed of \$126,640 to Contract No. A-12701 with Monterey Peninsula Engineering A Partnership, for the Davis Road Class II Bikeway Project, Project No. 14-869465, State Project No. EA 05-4A2784L, Federal Aid Project No. HRRRL-5944(104).

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Authorize an increase to the contract contingencies in the amount of \$71,380 corresponding to an additional 10% of the original contract value plus \$126,640 for Change Order No. 5, for a total contingency amount of \$269,400 to provide funding for enhanced bicycle lane marking and striping for the Davis Road Class II Bikeway Project, Project No. 14-869465, State Project No. EA 05-4A2784L, Federal Aid Project No. HRRRL-5944(104) (4/5th vote required); and
- b. Ratify the Director of Public Works approval of Change Order No. 5 in the amount not to exceed of \$126,640 to Contract No. A-12701 with Monterey Peninsula Engineering A Partnership, for the Davis Road Class II Bikeway Project, Project No. 14-869465, State Project No. EA 05-4A2784L, Federal Aid Project No. HRRRL-5944(104).

SUMMARY:

The proposed recommendations are a follow up to the October 14, 2014 memorandum to the Board of Supervisors which noted approval by the Director of Public Works of Change Orders No. 1, 2, 3, 4, 5, 6, 7 and 8 for the Davis Road Class II Bikeway Project, Project No. 14-869465, State Project No. EA 05-4A2784L, Federal Aid Project No. HRRRL-5944(104). To fully fund these change orders and potential future change orders, the Project contingency needs to be increased from \$71,380 to an amount of \$269,400. Ratification of the Director of Public Work's approval of Change Order No. 5 is required because it exceeded the authorized change order authority.

DISCUSSION:

On June 17, 2014, the Board of Supervisors awarded a construction contract in the amount of \$713,801.85 to Monterey Peninsula Engineering A Partnership for the Project. As part of this action, the Board authorized a 10% contingency in the amount of \$71,380 to provide funding

for change orders and delegated the Director of Public Works authority to approve change orders up to the contingency amount.

The Project began in July 2014 and contract completion is currently scheduled for early 2015.

During the course of construction, several design issues arose that required the approval of eight change orders as outlined in the October 14, 2014 memorandum to the Board. The total amount of these eight change orders is estimated at \$238,306. This amount is \$640 more than the \$237,666 reported in the previous memo to the Board. Most of the change order work is now complete and final costs have been determined.

The purpose of the October 14th memorandum was to notify the Board that the authorized contingency for the project had been exceeded with the Director of Public Works' approval of Change Order No. 5 through Change Order No. 8. The memorandum further detailed the scope and cost of these change orders and noted that these approvals were taken in compliance with the Board-approved Contract Change Order Procedure for Public Works Construction Contracts, date August 28, 2001. This Procedure authorizes the Director of Public Works to approve change orders that exceed the approved contingency amount when a delay in approval would "*adversely affect the County's interest in the progress of the work*".

The total cumulative amount of Change Order Nos. 1 through 8 for the Project is \$238,306. In order to fund the change orders approved to date and provide an allowance for possible future change orders, an additional contingency amount of \$198,020 is being requested. The additional change order work will increase the estimated total project costs from \$1,242,000 to \$1,254,868 for a difference of \$12,868.

Finally, Contract Change Order No. 5 for the amount of \$126,640 exceeds the contract change order authority of the Department of Public Works, and separate Board action for the approval of this change order is required.

OTHER AGENCY INVOLVEMENT:

The Resource Management Agency - Public Works staff worked closely with the Caltrans Local Assistance Office to obtain the additional funding for the Project. These actions were considered by the Budget Committee on January 28, 2015.

FINANCING:

There is no financial impact to the General Fund or Road Fund. The Project is funded 100% by Transportation Enhancement (TE) Funds under the Federal Aid program. This action would increase project contingencies from \$71,380 to \$269,400. There are sufficient funds in the Fiscal Year 2014-15 Adopted Budget in Fund 002, Unit 8195 to fund the estimated total project increase of \$12,868.

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Approved by:

Robert K. Murdoch, P.E., Director of Public Works

Carl P. Holm, AICP, Acting RMA Director

Dated: January 30, 2015

Attachments: Project Budget; Memorandum to Board of Supervisors dated October 14, 2014;
Change Order Nos. 5; Location Map (Attachments on file with the Clerk of the Board)