



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: A 19-025, **Version:** 1

- a. Approve increase in contingency funds by an additional amount of \$350,000 to the contract with A. Teichert & Son, dba Teichert Construction, funded with Senate Bill 1 (SB1) revenue, for the State Route 1 (SR1) Climbing Lane, Project No. 8690, to provide funding for Contract Change Order No. 20 and other additional work required to complete the construction of the project for Caltrans acceptance;
- b. Approve Contract Change Order No. 20 to revise traffic signal foundations and widen existing roadway shoulder at SR1 and Carmel Valley Road intersection, and place asphalt curb on southbound SR1 north of Rio Road;
- c. Authorize the Resource Management Agency Director to execute contract change orders where the overall total value of change orders does not exceed \$1,296,242 of the original contract amount and does not significantly change the scope of work;
- d. Approve Amendment No. 1 to Professional Service Agreement No. A-13625 with MNS Engineers, Inc. to continue to provide construction management services for the SR1 Climbing Lane, Project No. 8690, under Request for Proposals #8690, to increase the not to exceed amount of \$479,516 by \$203,093 for a total amount not to exceed \$682,609, with no extension to the term of the Agreement beginning June 15, 2017 to June 15, 2020, with the option to extend the Agreement for two (2) additional one (1) year period(s); and
- e. Authorize the Contracts/Purchasing Officer or Contracts/Purchasing Supervisor to execute Amendment No. 1 to Professional Services Agreement No. A-13625 and any future amendments that do not significantly alter the scope of work or change the approved Agreement amount.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve increase in contingency funds by an additional amount of \$350,000 to the contract with A. Teichert & Son, dba Teichert Construction, funded with Senate Bill 1 (SB1) revenue, for the State Route 1 (SR1) Climbing Lane, Project No. 8690, to provide funding for Contract Change Order No. 20 and other additional work required to complete the construction of the project for Caltrans acceptance;
- b. Approve Contract Change Order No. 20 to revise traffic signal foundations and widen existing roadway shoulder at SR1 and Carmel Valley Road intersection, and place asphalt curb on southbound SR1 north of Rio Road;
- c. Authorize the Resource Management Agency Director to execute contract change orders where the overall total value of change orders does not exceed \$1,296,242 of the original contract amount and does not significantly change the scope of work;
- d. Approve Amendment No. 1 to Professional Service Agreement No. A-13625 with MNS Engineers, Inc. to continue to provide construction management services for the SR1 Climbing Lane, Project No. 8690, under Request for Proposals #8690, to increase the not to exceed amount of \$479,516 by \$203,093 for a total amount not to exceed \$682,609, with no extension to the term of the Agreement beginning June 15, 2017 to June 15, 2020, with the option to extend the Agreement for two (2) additional one (1) year period (s); and
- e. Authorize the Contracts/Purchasing Officer or Contracts/Purchasing Supervisor to execute Amendment No. 1 to Professional Services Agreement No. A-13625 and any future amendments that do not significantly

alter the scope of work or change the approved Agreement amount.

SUMMARY:

Resource Management Agency (RMA) staff has implemented the State Route 1 (SR1) Climbing Lane, hereinafter, "Project", under Caltrans' oversight. The majority of the construction work is complete; however, staff is completing remaining work that is required by Caltrans prior to Caltrans' acceptance of the Project. Remaining work includes revising the signal foundation and widening the roadway shoulder at the intersection of SR1 and Carmel Valley Road and placing asphalt curb on southbound SR1 north of Rio Road. In addition, a drainage issue has been identified that needs to be corrected. Once a solution has been identified with Caltrans, staff will return to the Board, depending on the magnitude of cost for that change order. Staff is negotiating with Caltrans on sharing costs for changes that were not identified through their review and approval process. Meanwhile, staff is requesting funding necessary to complete the work, so the contractor can be released upon completion of the remaining work. Construction management services are also necessary to oversee the remaining work and close out the Project once complete.

Staff recommends that the Board of Supervisors (BOS) approve the inclusion of Contract Change Order No. 20 into the Project to complete the remaining work; increase contract contingency by \$350,000; and amend MNS Engineers, Inc. (MNS) Professional Services Agreement (PSA) No. A-13625 to continue to provide construction management services for the Project. Adding \$350,000 to the contract contingency amount and amending MNS's PSA in the amount of \$203,093 for continued construction management services will allow RMA to complete the Project for Caltrans' acceptance. The estimated total increase in project costs to perform the remaining work and to provide construction management services is \$553,093.

DISCUSSION:

On December 5, 2017, the BOS awarded a contract to A. Teichert & Son, dba Teichert Construction, the lowest responsible and responsive bidder for the Project, in the total amount of \$4,731,210. As part of this action, the BOS also authorized a contingency not to exceed 10% of the total contract amount (\$473,121), for a total not to exceed amount of \$5,204,331. Contingency is meant to provide funding for approved contract change orders that occur as a result of unexpected conditions or alterations. The BOS authorized the RMA Director to execute the contract, and subject to the terms of the Public Contract Code, approve change orders to the contract that do not exceed 10% of the original contract amount, and do not significantly change the scope of work. Construction of the Project began in April 2017.

On June 19, 2018, the BOS approved Change Order No. 12 to include the overlay of Carmel Valley Road from SR1 to Carmel Rancho Boulevard; and an increase of \$473,121 (10%) to fund the work.

The purpose of the Project is to improve traffic flow on SR1 between Rio Road and Carmel Valley Road by constructing a northbound climbing lane on SR1, adding to the segment north of Carmel Valley Road that was constructed in 2004. The Project consists, in general, of constructing a second northbound through lane (climbing lane) on the east side of SR1 between Rio Road and Carmel Valley Road. The Project will also upgrade the wooden signal poles at the intersection of SR1 and Carmel Valley Road.

During construction there were several unanticipated cost increases to the Project that were identified and implemented. As a result of these changes, several contract change orders have been executed during construction. Attachment A includes a list detailing the major change orders.

Approval of Change Order No. 20 and the increase in contract contingency in the amount of \$350,000 will allow for revising the signal foundation and widening the roadway shoulder at the intersection of SR1 and

Carmel Valley Road; and for placing the asphalt curb on southbound SR1 north of Rio Road. The estimated cost of this change order is \$350,000. Construction management services are also necessary to oversee the remaining work and close out the Project once complete. Staff recommends approving Change Order No. 20, increasing contract contingency by \$350,000; and amending MNS' PSA No. A-13625 by \$203,093 for a total amount not to exceed \$682,609. Senate Bill 1 (SB1) is the recommended source to fund these Project increases.

SB1 revenues have been identified as an allowable funding source for the additional cost. The BOS approved a priority list for projects utilizing SB1 funds on May 1, 2018. That list did not include the work for Change Order No. 20. SB1 affords flexibility to fund projects based on needs and changing priorities, provided that the project is consistent with eligible fund use. Reprioritizing SB1 funds could result in other priority projects being deferred into future years.

Eligible use under SB1 include, but are not limited to: road maintenance and rehabilitation; safety projects; railroad grade separations; complete street components, including active transportation purposes, pedestrian and bicycle safety projects, transit facilities, and drainage and storm water capture projects in conjunction with any other allowable project; traffic control devices; and, to satisfy a match requirement to obtain state or federal funds for projects.

Attachment F provides a summary of MNS' PSA to date.

OTHER AGENCY INVOLVEMENT:

The Office of the County Counsel-Risk Management and Auditor-Controller's Office have reviewed and approved Amendment No. 1 as to form and legality, and fiscal provisions, respectively.

FINANCING:

Funding from a variety of State and local revenue in the amount of \$8.2 million has been authorized for design, environmental, right-of-way and construction for the Project. State funds totaling \$4.5 million include \$3.3 million in State Transportation Improvement Program (STIP), \$275,000 in Minor A Funds, and \$988,116 in Road Fund. Local revenue amounts to \$3.6 million and is comprised of Regional Surface Transportation Program (RSTP) in the amount of \$3.4 million and development fees in the amount of \$211,042.

Change orders approved to date total approximately \$865,131, leaving \$81,111 in contingency. In addition, Caltrans has identified other improvements needed before they will accept the facility. Adding \$350,000 to contingency adjusts the contingency budget to \$1,296,242. In addition, staff is recommending adding \$203,093 for the contract with MNS to help manage construction of these final improvements. The total additional amount of \$553,093 to fund the Project increase will come from the Road Fund (Fund 002). Monterey County is estimated to receive an estimated \$7.8 million in SB1 revenues for fiscal year (FY) 2019 that will help fund these additional costs. To help offset the additional cost, staff is negotiating with Caltrans on sharing costs for changes that were not identified through their review and approval process.

The project was anticipated to be completed in FY 2017-18 when the FY 2018-19 Recommended Budget was developed. As such, this project was not included in the FY 2018-19 budget and is not reflected in the FY 2018-19 Road Fund Work Plan. There are sufficient appropriations adopted in the FY 2018-19 Road Fund 002, Appropriation Unit RMA012 budget to finance the remaining construction tasks and Amendment No. 1 to the PSA with MNS for construction management services.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The inclusion of Change Order No. 20 to the Project and Amendment No. 1 to MNS' PSA provides for an improvement to the transportation infrastructure of Monterey County. The recommended action supports the following BOS' Strategic Initiatives:

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

Prepared by: Billy Issa, Project Manager II, (831) 796-1343

Approved by: Neville R. Pereira, PE, CBO, *Interim* RMA Deputy Director of Public Works,
Parks and Facilities

Approved by: Carl P. Holm, AICP, RMA Director

Attachments are on file with the Clerk to the Board:

Attachment A - List of Major Change Orders

Attachment B - Amendment No. 1 to MNS PSA

Attachment C - Project Budget

Attachment D - Location Map

Attachment E - Board Order MNS PSA

Attachment F - Summary of MNS PSA