



## City Council Staff Report

January 7, 2009

NEW BUSINESS

Subject: CHANGE ORDER NO. 2 TO AGREEMENT NO. 5700 WITH GRANITE CONSTRUCTION COMPANY, FOR THE 2007/2008 ANNUAL ARHM OVERLAY, CITY PROJECT 07-17

From: David H. Ready, City Manager

Initiated by: Public Works and Engineering Department

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### SUMMARY

Approval of Change Order No. 2 to the Granite Construction Company contract (Agreement No. 5700) revises the total contract amount for construction to \$1,497,039.51 for an increase of \$52,495.51 for additional construction quantities required to complete the work indicated in the original contract and Change Order No. 1, and additional streets added for overlay as part of the 2007/2008 Annual ARHM Overlay, City Project 07-17.

### RECOMMENDATION:

- 1) Approve Change Order No. 2 to Agreement No. 5700 with Granite Construction Company, in an amount of \$52,495.51 for a revised total contract amount of \$1,497,039.51 for the 2007/2008 Annual ARHM Overlay, City Project 07-17; and
- 2) Authorize the City Manager to execute all necessary documents.

### STAFF ANALYSIS:

On July 16, 2008, the City Council awarded a construction contract to Granite Construction Company for the 2007/2008 Annual ARHM Overlay, City Project 07-17. This project includes an asphalt rubber hot mix (ARHM) overlay of the following City streets:

1. Indian Canyon Drive, from Tramview Road to San Rafael Drive (west half)
2. Farrell Drive, from Tahquitz Cyn Way to Baristo Road
3. Farrell Drive, from Baristo Road to Ramon Road
4. Baristo Road, from Sunrise Way to Farrell Drive

5. Tachevah Drive, El Alameda, Tamarisk Road, and Amado Road (between Palm Canyon Drive and Indian Canyon Drive)
6. Belardo Road (between Ramon Road and Arenas Road)
7. San Lorenzo Road (between Random Road and Sunrise Way)
8. Camino Real (between Mesquite Avenue and S. Riverside Drive)
9. Via Escuela (between N. Palm Canyon Drive and Zanjero Road)

A total of approximately 650,000 square feet of overlay was included in the project, as originally bid. City Council subsequently approved Change Order No. 1 on July 30, 2008 which expanded the scope of the project by approximately 280,000 square feet and included the addition of the following streets:

- 1) Paseo El Mirador (Sunrise Way to Paseo de Anza)
- 2) Santa Rosa Drive (Monte Vista Dr. to Patencio Rd.)
- 3) Arenas Road (Palm Canyon Dr. to Indian Canyon Dr.)
- 4) Lugo Road (400 feet north of Baristo Rd. to Arenas Rd.)
- 5) Panga Way (Patencio Rd. to west end)
- 6) Patencio Road (Arenas Rd. to Baristo Rd.)
- 7) Santa Rosa Drive (Patencio Rd. to west end)
- 8) Tahquitz Canyon Way (Palm Canyon Dr. to Indian Canyon Dr.)
- 9) Mountain View Place (Via Monte Vista to Patencio Rd.)
- 10) Chino Drive (Patencio Rd. to Palm Canyon Dr.)
- 11) Cahuilla Road (Hermosa Place to Via Lola)
- 12) Canyon Place (Patencio Rd. to Mission Rd.)
- 13) Merito Place (Palm Canyon Dr. to Mission Rd.)
- 14) Zanjero Road (Cabrillo Rd. to Cortez Rd.)
- 15) Zanjero Road (Via Escuela to north end)
- 16) Alvarado Road (Palm Canyon Dr. to De Anza Rd.)
- 17) Via Norte (Via Escuela to Mariscal Rd.)

When construction began, the Annual Slurry Seal Project was completing work in section 23 (Warm Sands Neighborhood). During that project two streets that had been scheduled for a slurry seal application were identified as having a low pavement condition index (PCI), and it was determined that the condition of the streets had deteriorated to the point that slurry seal was no longer an appropriate maintenance option. These streets were removed from the slurry project and added to the overlay project at a cost of \$26,459.00. The two streets were:

- 1) Riverside Place (Riverside Dr. to the North end)
- 2) Parocela Place (Warm Sands Dr. to Grenfall Rd.)

In addition to these streets, an agreement was made with the developer of Dinks Bar and Grill to expand the paving limits on the South side of Via Escuela Road between North Palm Canyon and Zanjero Rd. The Overlay Project and this development took place concurrently and an agreement was made in which the developer deposited \$10,367.10 with the City to cover expenses associated with the additional paving which was originally conditioned as a part of the Dinks project. The paving was completed as a part of this project and these funds will be utilized to cover the expenses for this additional work.

All other additional costs indicated on this Change Order are due to the actual construction quantities required to complete the work approved in the original contract and Change Order No. 1.

This is a final balancing change order, and no additional work will be performed on this project. It should be noted that costs incurred by the City to adjust water valves to grade are expected to be reimbursed by the Desert Water Agency in accordance with a prior agreement. Reimbursement is expected to be \$46,000.00.

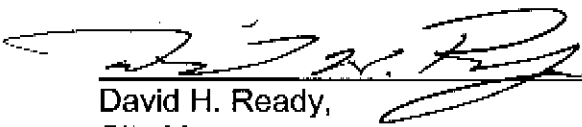
FISCAL IMPACT:

Funding for this project is available in the following accounts and will be utilized as indicated: 133-4298-50225 Local Measure A, ARHM Overlay (\$42,128.41) and 001-4201-43200 Contractual Services (\$10,367.10).

SUBMITTED:

  
\_\_\_\_\_  
David J. Barakian  
Director of Public Works/City Engineer

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Thomas J. Wilson  
Assistant City Manager

  
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David H. Ready,  
City Manager

Attachments:

1. Construction Change Order No. 2

**CONTRACT CHANGE ORDER**

To: **Granite Construction Co.**  
585 West Beach Street  
Watsonville, CA 95076

Date: **November 12, 2008**  
Project No.: **07-17**  
Project: **2007/2008 ARHM Overlay**  
Change Order No.: **Two (2)**  
Contract Purchase No.: **09-0338 : 0**  
Account Numbers: **133-4298-50225**  
**134-4498-50225**  
Agreement No.: **5700**

**CHANGES IN WORK/COST****Increase/Decrease to Contract Quantities****Schedule A**

Item No. 3	Cold Mill AC	-421 @ \$0.30/SF	(\$126.30)
Item No. 4	1.5" ARHM Overlay	-445 @ \$1.14/SF	(\$507.30)
Item No. 5	Adjust Water Valve	-4 @ \$500.00/EA	(\$2,000.00)
Item No. 7	Detector Loops	1 @ \$300.00/EA	\$300.00
	<b>Subtotal</b>	<b>(decrease amount)</b>	<b>(\$2,333.60)</b>

**Schedule B**

Item No. 3	Cold Mill AC	-1332 @ \$0.30/SF	(\$399.60)
Item No. 4	1.5" ARHM Overlay	-2000 @ \$1.14/SF	(\$2,280.00)
Item No. 6	Adjust Sewer Manhole	-2 @ \$700.00/EA	(\$1,400.00)
	<b>Subtotal</b>	<b>(decrease amount)</b>	<b>(\$4,079.60)</b>

**Schedule C**

Item No. 3	Cold Mill AC	3632 @ \$0.30/SF	\$1,089.60
Item No. 4	1.5" ARHM Overlay	1000 @ \$1.14/SF	\$1,140.00
Item No. 5	Adjust Water Valve	-7 @ \$500.00/EA	(\$3,500.00)
Item No. 6	Adjust Sewer Manhole	1 @ \$700.00/EA	\$700.00
	<b>Subtotal</b>	<b>(decrease amount)</b>	<b>(\$570.40)</b>

**Schedule D**

Item No. 3	Cold Mill AC	1700 @ \$0.30/SF	\$510.00
Item No. 4	1.5" ARHM Overlay	-700 @ \$1.14/SF	(\$798.00)
Item No. 5	Adjust Water Valve	1 @ \$500.00/EA	\$500.00
Item No. 7	Detector Loops	-1 @ \$300.00/EA	(\$300.00)
	<b>Subtotal</b>	<b>(decrease amount)</b>	<b>(\$88.00)</b>

**Schedule E**

Item No. 3	Cold Mill AC	-1100 @ \$0.30/SF	(\$330.00)
Item No. 4	1.5" ARHM Overlay	-2500 @ \$1.14/SF	(\$2,850.00)
Item No. 5	Adjust Water Valve	-1 @ \$500.00/EA	(\$500.00)
	<b>Subtotal</b>	<b>(decrease amount)</b>	<b>(\$3,680.00)</b>

**Schedule F**

Item No. 3	Cold Mill AC	-150 @ \$0.30/SF	(\$45.00)
Item No. 4	1.5" ARHM Overlay	-800 @ \$1.14/SF	(\$912.00)
Item No. 5	Adjust Water Valve	-4 @ \$500.00/EA	(\$2,000.00)
Item No. 6	Adjust Sewer Manhole	-1 @ \$700.00/EA	(\$700.00)
	<b>Subtotal</b>	<b>(decrease amount)</b>	<b>(\$3,657.00)</b>

**Schedule G**

Item No. 3	Cold Mill AC	900 @ \$0.30/SF	\$270.00
Item No. 4	1.5" ARHM Overlay	10000 @ \$1.14/SF	\$11,400.00
New Item A	Adjust Water Valve	3 @ \$500.00/EA	\$1,500.00
	<b>Subtotal</b>	<b>Increase amount</b>	<b>\$13,170.00</b>

**Change Order No. 1**

A.	1.5" ARHM Overlay	19169 @ \$1.14/SF	\$21,852.66
B.	Cold Mill AC	-10836 @ \$0.30/SF	(\$3,250.80)
C.	Detector Loops	6 @ \$300.00/EA	\$1,800.00
D.	Adjust Water Valve	12 @ \$500.00/EA	\$6,000.00
E	Adjust Sewer Manhole	1 @ \$700.00/EA	\$700.00
Force Account	Striping	Lump Sum	\$173.25
	<b>Subtotal</b>	<b>Increase amount</b>	<b>\$27,275.11</b>

**New Items**

H.	Cold Mill AC	7900 @ \$0.30/SF	\$2,370.00
I.	1.5" ARHM Overlay	18900 @ \$1.14/SF	\$21,546.00
J.	Adjust Water Valve	1 @ \$500/EA	\$500.00
K.	Adjust Sewer Manhole	2 @ \$700.00/EA	\$1400.00
L.	Mobilization	Lump Sum	\$2,400.00
M.	Traffic Control	Lump Sum	\$1,500.00
N.	Pavement Markings	Lump Sum	\$525.00
O.	Reimbursement of Overpay	Lump Sum	(\$3,782.00)
	<b>Subtotal</b>	<b>Increase amount</b>	<b>\$26,459.00</b>

**TOTAL NET CHANGE ORDER/INCREASE AMOUNT****\$52,495.51****REASONS FOR CHANGES:**

All increases and decreases to the original bid quantities and to change order No. 1, were due to the actual quantities required in the field being more or less than the original estimate.

New items H thru N were added to the project in order to complete improvements on Riverside Place (Riverside Dr. to North end), and Parocela Pl. (Warm Sands to Grenfall), after it was determined that they could not be maintained as a part of the recent slurry seal project due to their poor condition.

New item O reimburses the City for items that were overpaid prior to the final determination of contract quantities.

\$10,367.10 of the increase amount to Bid Schedule G, was provided by the developer of Dinks Bar and Grill. These funds have been received by the City and will be utilized to compensate for additional paving performed along the Via Escuela frontage of this project.

Note: costs incurred by the City to adjust water valves on this project are to be reimbursed by DWA per prior agreement. Reimbursement is expected to be \$46,000.00.

Note: No additional mark ups will be added to any item on this Change Order. All costs are final.

**D. SOURCE OF FUNDS**

The following accounts utilized: 134-4498-50225 Local Measure A, ARHM Overlay (\$42,128.41), and 001-4201-43200 Contractual Services (\$10,367.10 - funds previously deposited to be withdrawn).

<u>Summary of Costs</u>		<u>Contract Time</u>	
Original Contract Amount:	\$998,860.00	Original Completion Date:	November 14, 2008
This Change Order:	\$52,495.51	Days Added for this C.C.O.:	~0~
Previous Change Order(s):	\$445,684.00	Previous Days Added:	~0~
Revised Contract Amount:	<b>\$1,497,039.51</b>	Revised Completion Date:	November 14, 2008

I have received a copy of this Change Order and the above AGREED PRICES are acceptable to the contractor.

City Approval:  
Submitted by M. R. L. T.  
Senior Public Works Inspector

Date 12-9-08

By M. C. MALFA  
Contractor

Approved by [Signature]  
City-Engineer

Date 12/9/08

Date 12/3/08

Approved by \_\_\_\_\_  
City-Manager

Date \_\_\_\_\_

Attested by \_\_\_\_\_  
City Clerk

Date \_\_\_\_\_

**Distribution:**

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