

City of Sacramento

Legislation Text

File #: 2020-01474, Version: 1

Title:

Change Order: 3rd Street Relief Sewer Project

File ID: 2020-01474

Location: District 4

Recommendation:

Adopt a Resolution: 1) authorizing the City Manager or the City Manager's designee to execute Change Order No. 28 to City Agreement No. 2019-0674 with Steve P. Rados, Inc, for an amount not-to-exceed \$240,000, bringing the agreement's total not-to-exceed amount to \$16,307,661; 2) resetting the City Manager's authority to issue Change Orders for the Agreement; and 3) transferring \$800,000 from the Sewer Development Fee Fund (Fund 6002) available fund balance to the Combined Sewer System (X14010000, Fund 6002).

Contact: Tim Moresco, Project Manager (916) 808-1432; Luz "Nina" Buelna, Supervising Engineer (916) 808-4937; Tony Bertrand, Engineering & Water Resources Division Manager, (916) 808-1461; Department of Utilities

Presenter: None

Attachments:

- 1-Description/Analysis
- 2-Change Order
- 3-Resolution

Description/Analysis

Issue Detail: Staff recommends Council approve Change Order No. 28 with Steve P. Rados, Inc. for the City Agreement No. 2019-0674, to provide funding for the additional hot mix asphalt (HMA) paving required to complete the street resurfacing for the 3rd Street Relief Sewer Project. Due to the number of unforeseen underground conflicts, such as the historic streetcar tracks and several other utility conflicts, as well as the existing condition of the roadways, the amount of HMA tonnage estimated to complete the project is not adequate. The proposed Change Order No. 28 provides for additional HMA paving to complete the street resurfacing for this project.

In addition to the proposed Change Order, the project is approaching the maximum approved budget

amount and is estimated to need \$800,000 transferred into the project fund to provide for anticipated change orders including additional increases in several bid items and delays due to utility conflicts.

Policy Considerations: This Change Order exceeds the City Manager's approval authority and requires Council approval.

Economic Impacts: This Change Order is expected to create 0.96 total jobs (0.55 direct jobs and 0.41 jobs through indirect and induced activities) and create \$148,184.40 in total economic output (\$93,401.76 of direct output and another \$54,782.64 of output through indirect and induced activities).

The indicated economic impacts are estimates calculated using a calculation tool developed by the Center for Strategic Economic Research (CSER). CSER utilized the IMPLAN input-output model (2009 coefficients) to quantify the economic impacts of a hypothetical \$1 million of spending in various construction categories within the City of Sacramento in an average one-year period. Actual impacts could differ significantly from the estimates and neither the City of Sacramento nor CSER shall be held responsible for consequences resulting from such differences.

Environmental Considerations: On June 11, 2019, the City Council adopted the 3rd Street Relief Sewer System Addendum to the City of Sacramento Combined Sewer System Rehabilitation and Improvement Plan EIR (Resolution No. 2019-0240). The subject action is a continuation of the approved 3rd Street Relief Sewer Project evaluated within the Addendum. No further environmental review is required.

Sustainability: The proposed project is consistent with the 2035 General Plan as it improves infrastructure reliability and supports the City's Long-Term Control Plan to rehabilitate the Combined Sewer System (CSS) to decrease flooding, outflows, and overflows.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: Change Order No. 28 is needed to provide funding for the remaining street paving work required due to unforeseen underground conflicts. The original contract amount of HMA tonnage was set at 2,250 tons, however, due to the additional street paving, it is estimated that the City will need 800 additional tons of HMA to complete the project. The transfer of funds is also necessary to augment the approved project budget with several future change orders still anticipated, including additional unmarked utility crossings, differing site conditions, delays due to utility conflicts, and other various extra work items that may come up.

Financial Considerations: The original not-to-exceed amount of the contract was \$14,307,780. The net change by previous change orders in the amount of \$1,759,881, increased the contract not-to-exceed amount to \$16,067,661. Proposed Change Order No. 28 in the amount of \$240,000 would

increase the contract not-to-exceed amount to \$16,307,661.

Staff is recommending a budget transfer from the Sewer Development Fee Fund (Fund 6002) to the Combined Sewer System (X14010000, Fund 6002) in the amount of \$800,000 to complete the project.

There are no General Funds allocated or planned for this project.

Local Business Enterprise (LBE): Steve P. Rados, Inc. is an LBE.