



TO: Mayor and Council Members

FROM: Rosemarie Gaglione P.E., Public Works Director

CONTACT: Teresa Lopes P.E., Senior Project Engineer

SUBJECT: Los Carneros Road Overhead Bridge Replacement Project Amendment to Construction Contract

RECOMMENDATION:

Approve and authorize the City Manager to amend the construction contract with Granite Construction, for the Los Carneros Overhead Bridge Replacement Project, to cover project change orders in the amount of \$633,303 for a new contract total not to exceed amount of \$7,670,662.

BACKGROUND:

This project replaced the Los Carneros Road Overhead Bridge and provided a dedicated right turn lane from Los Carneros Road onto the southbound Highway 101 on-ramp to improve traffic flow. The bridge crosses the railroad tracks owned by the Union Pacific Railroad (UPRR) and is adjacent to the US 101 interchange owned by Caltrans, necessitating close coordination and approval from both agencies for project construction.

In 2013, a construction contract was awarded to Granite Construction for the Los Carneros Road Overhead Bridge Replacement Project for the base amount of \$6,324,690. In addition, the project also included additional costs such as supplemental work totalling \$80,200 and potential contingencies totaling \$632,469, for a total estimated construction cost of \$7,037,359. The majority of this amount, \$7,035,109 or 88.53%, was considered to be Federally Participating Construction Costs and funded by the Highway Bridge Program (HBP). The remaining 11.47% will be paid with local funds consisting of Goleta Transportation Improvement Program (GTIP) and Measure A funds.

During construction, the UPRR required a change in bridge demolition methods, which caused unanticipated cost increases and schedule delays. In addition, the change in construction timeline created scheduling conflicts with nearby Caltrans work, which were addressed by accelerating bridge construction to coordinate ramp closures required by the Las Vegas/San Pedro Culvert Replacement Project as well as the

bridge project. The end result of these two primary factors were increased costs, approved by Caltrans and funded primarily by the Highway Bridge Program.

DISCUSSION:

A major component of the Project construction was the demolition of the existing bridge over UPRR tracks. The contractor was required to submit a Bridge Removal Plan to UPRR for approval. While the proposed removal method was consistent with guidelines at the time of bidding as well as recently completed projects in the surrounding area, the initial plan was ultimately rejected by UPRR. The contractor was required to submit a substantially different Bridge Removal Plan that could not have been anticipated at the time of bid. Due to the lengthy submittal reviews by UPRR and the extended time involved to obtain UPRR approval, not only was the start of the project significantly delayed, costs were also substantially increased by the change in demolition methods.

In addition, the Los Carneros Bridge Project was constrained by an internal milestone that was tied to the start of an unrelated adjacent Caltrans project, the Las Vegas/San Pedro Culvert Replacement Project. The first stage of the Los Carneros Bridge Project required the Los Carneros southbound (SB) 101 on-ramp to be closed for several months to accommodate the bridge construction. The Culvert Replacement Project required that the adjacent southbound 101 off-ramp at Fairview Avenue be closed to accommodate that project work. Caltrans would not permit adjacent ramp closures at the same time. The Culvert Replacement Project schedule was dictated by permit restrictions related to when construction could take place in the Las Vegas and San Pedro Creeks. Furthermore, Caltrans could not adjust its schedule because of its project funding deadline.

Accelerating the construction work for the Los Carneros Bridge Project was the only option for Granite to complete the bridge construction phase in order to open the Los Carneros SB 101 on-ramp in time to meet the Caltrans project schedule for the Culvert Replacement Project. Accelerating the construction required crews to work longer hours and weekends to meet the schedule. Staff met with Caltrans representatives to discuss how best to obtain funding approval for the increase in construction costs, since Caltrans was the custodian of the Federal HBP funds. A claim by the contractor was determined to be the appropriate method to account for the cost increases, which could be revised later when final costs were confirmed. Accordingly, Granite submitted a notice of potential claim related to the extra work associated with the change in the bridge removal method and for the acceleration work. During the project staff continued to meet with Caltrans to coordinate project accounting and HBP funding.

The construction acceleration was successful and Granite met the deadline; the Los Carneros SB on-ramp was opened in time to meet the Culvert Replacement Project schedule. With construction completed, Caltrans and City staff reviewed the contractor's claim for the additional work. Because all parties agreed to the additional costs, it was decided a claim was unnecessary and instead that the additional work be processed as Contract Change Order No. 17 (CCO). The total cost of the change order is \$654,694.75, of which 88.53%, or \$579,601.26, will be funded by HBP as a Federal Participating Cost.

Typical of a project of this magnitude, during construction a number of other change orders were approved and supplemental work authorized, totaling \$691,277, below the additional \$712,669 that was authorized at the time of contract award. The total increase to the base construction bid, including the extra bridge removal and acceleration costs, totaled \$1,345,971, resulting in a final construction cost of \$7,670,662. To address unforeseen costs at project start, and complete project accounting, staff is recommending that Council approve and authorize the City Manager to execute Contract Change Order No. 17 in the amount of \$654,694.75, bringing the new total not to exceed contract price to \$7,670,662.

Construction is now complete and staff will be returning to Council at a later date for the Notice of Completion (NOC). In the meantime staff is working with Caltrans to finalize the project closeout paperwork and transmit final payment to Granite Construction. Before final payment can be made Caltrans must issue a new Finance Letter (E76 Letter) to increase the total construction cost to include the unforeseen changes in means and methods of construction, which led to an increased contingency amount. The paper work has been submitted and staff has been working closely with Caltrans District 5. Caltrans and staff have agreed on the increased costs and approval is expected.

ALTERNATIVES:

Council could elect not to increase the contract contingency amount to cover these change orders. In that event, Granite could pursue its contract remedies for the claim it has filed with the City.

FISCAL IMPACTS

A comparison of the total construction cost per the Caltrans E76 Construction Authorization amount (Total Budgeted) versus the final actual total construction costs (Actual) which is based on Granite’s bid, including CCOs, item adjustments, supplemental work items, agency furnished materials and expenses, is shown in the following table:

| | Total Budget | Actual | Increase |
|--|----------------------------------|-------------------------------------|------------------|
| Construction Contract | \$6,324,690 | \$6,324,690 | \$0 |
| Construction Contingency + Supplemental Work | \$632,469 + \$80,200 = \$712,669 | \$654,695 + \$691,277 = \$1,345,972 | \$633,303 |
| TOTAL CONSTRUCTION COSTS | \$7,037,359 | \$7,670,662 | \$633,303 |

The final construction cost amount is \$633,303 greater than the total contract amount with authorized contingency and supplemental work. Caltrans has authorized an increase of up to \$654,695 in Federal Participating Funds for construction costs for its share of the cost increase. The construction is funded with the Federal HBP funds for 88.53% of the total with a local match of 11.47% of the construction total cost funded

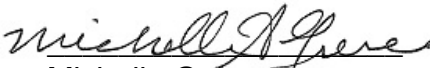
with a combination of GTIP and Measure A funds. There is sufficient funding in the current budget to cover the local 11.47% of the additional construction cost. Since Granite's bid was less than the amount of HBP funds in the budget, there is still sufficient HBP money in the City budget and no additional appropriations are necessary.

Reviewed By:

Approved By:



Tim W. Gilles
City Attorney



Michelle Greene
City Manager

Attachments:

1. Contract Change Order No. 17

Attachment 2

Contract Change Order No. 17

Contract Change Order No. 17 **Suppl. No.** _____

PROJECT DESCRIPTION: Los Carneros Overhead Bridge Replacement SHEET 1 OF 1

TO: Granite Construction CONTRACTOR

You are hereby directed to make the herein-described changes from the plans and specifications or do the following described work not included in the plans and specifications of this contract.

NOTE: This change order is not effective until approved by the Public Works Director.

Change requested by: Resident Engineer **Prior Approval:**
 Description of the work to be done, estimates of quantities, and prices to be paid. Segregate between additional work at contract price, agreed price and force account. Unless otherwise stated, rates for rental equipment cover only such time as equipment is actually used and no allowance will be made for idle time. The last percentage shown is the net accumulated increase or decrease from the original in the Engineer's Estimate.


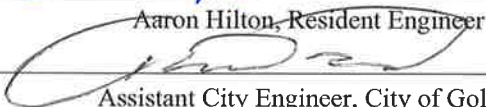
This Contract Change Order Provides for:

The payment to the Contractor for the overtime costs to accelerate the work to meet the, pre-set, internal, milestone. The delay to the work was due to UPRRs rejection and subsequent delay in approving the contractors Bridge Removal Plan. The contractor was directed to accelerate their work to meet this internal milestone. Since this acceleration could not have been anticipated at the time of bid, the contractor will be compensated for the overtime time cost associated with this acceleration with an Agreed Lump Sum of \$654,694.75. This payment includes payment for overtime cost to the contractor and their sub-contractors to accomplish this work.

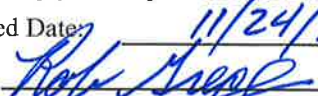
The total cost of this Change Order shall be \$654,694.75.

No increase in time is associated with this change.

By reason of this order the time of completion will be adjusted as follows: **No Time Adjustment**

Submitted by:  Date: 11/24/15
 Aaron Hilton, Resident Engineer
 City Concurrence by:  Date: 11/29/15
 Assistant City Engineer, City of Goleta
 Approval Recommended: _____ Date: _____
 Public Works Director, City of Goleta
 Approved by: _____ Date: _____
 City Manager, City of Goleta

We, the undersigned contractor, have given careful consideration to the change proposed and hereby agree, if this proposal is approved, that we will provide all equipment, furnish all materials, except as may otherwise be noted above, and perform all services necessary for the work above specified, and will therefore accept as full payment the prices shown above.

Accepted Date: 11/24/15 Contractor: Granite Construction
 By:  Title: CONSTRUCTION MANAGER

If the Contractor does not sign acceptance of this order, his attention is directed to the requirements of the specification as to proceeding with the ordered work and filing a written protest within the time therein specified.


Memorandum For Contract Change Orders

DATE
November 24, 2015

| | | | |
|---|----------------|--|--|
| TO Rosemarie Gaglione, Public Works Director | | | FILE City Project number: 04-13 Los Carneros Overhead Bridge replacement |
| FROM Aaron Hilton Resident Engineer | | | |
| CCO NO. 17 | SUPPLEMENT NO. | CATEGORY CODE | CONTINGENCY BALANCE (including this change) \$0 |
| \$654,694.75 | | INCREASE <input checked="" type="checkbox"/> DECREASE <input type="checkbox"/> | CALTRANS APPROVAL REQUIRED? YES <input type="checkbox"/> NO <input type="checkbox"/> |
| SUPPLEMENTAL FUNDS PROVIDED \$0 | | | IS THIS REQUEST IN ACCORDANCE WITH ENVIRONMENTAL DOCUMENTS AND PERMITS? YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> |

Note: Describe what the change is, why it is being done and who requested it, how it will be paid, and the time extension

The contractor was required to submit a Bridge Removal Plan to UPRR for the removal of the structure over UPRR tracks. The contractor submitted a Bridge Removal Plan that was consistent with other similar projects in the surrounding area, the proposed removal method was rejected and the contractor was required to submit a substantially different Bridge Removal Plan that could not have been anticipated at the time of bid. Due to this change and the subsequent delays in UPRR's approval of this new Bridge Removal Plan the Contractor was significantly delayed. This project was constrained by an internal milestone that was tied to the start of an unrelated adjacent Caltrans Project. The contractor was directed to accelerate their work to meet this internal milestone. Since this acceleration could not have been anticipated at the time of bid, the contractor will be compensated for the overtime time cost associated with this acceleration with an Agreed Lump Sum of \$654,694.75. This payment includes payment for overtime cost to the contractor and their sub-contractors to accomplish this work, There is no time extension associated with this work. EWFA analysis back up for this change order is in the file.

| CCO DISCUSSED AND CONCURRED WITH: | | | | ESTIMATE OF COST | | |
|---|---|-----------------|---|--|---------------|--|
| | YES <input type="checkbox"/> NO <input type="checkbox"/> N/A <input type="checkbox"/> | DATE | | THIS REQUEST | TOTAL TO DATE | |
| DESIGN ENGINEER Sherina Lam | | | ITEMS | \$0 | \$ | |
| CITY OF GOLETA Teresa Lopes | | | FORCE ACCOUNT | \$0 | \$0 | |
| CALTRANS ENGINEER | <input checked="" type="checkbox"/> | | AGREED PRICE | \$654,694.75 | \$ | |
| Other Approval By: (SPECIFY) | <input type="checkbox"/> | | ADJUSTMENT | \$ | \$ | |
|  | | 11/24/15 | TOTAL | \$654,694.75 | \$ | |
| RESIDENT ENGINEER SIGNATURE | | DATE | PARTICIPATION | | | |
| | | | <input checked="" type="checkbox"/> CCO FUNDED PER CONTRACT | <input type="checkbox"/> CCO FUNDED AS FOLLOWS | | |