

STAFF REPORT*CITY OF OCEANSIDE*

DATE: April 20, 2011

TO: Honorable Mayor and City Councilmembers

FROM: Development Services Department

SUBJECT: **CHANGE ORDERS 1 AND 2 FOR THE ANNUAL OVERLAY FY 2010-2011 PROJECT AND APPROVAL OF A BUDGET APPROPRIATION TO FUND THE CHANGE ORDERS**

SYNOPSIS

Staff recommends that the City Council approve Change Orders 1 and 2 in the amounts of \$68,996 and \$271,004, respectively, to Granite Construction of Watsonville, California, for the Annual Overlay FY 2010-2011 project for repair and asphalt overlay of arterial streets throughout the City, for additional work requested by the City including repair of a large pothole in Eastview Court and the addition of several locations damaged by winter storms; and authorization for the City Engineer to execute the change orders; and approve a budget appropriation in the amount of \$340,000 from the GF Community Facilities CIP Fund to the project account to fund the change orders.

BACKGROUND

On November 10, 2010, the City Council awarded a contract in the base amount of \$3,062,686 for the Annual Overlay FY 2010-2011 project. The work includes repair and asphalt overlay of arterial streets. The contractor, Granite Construction of Watsonville, requested a time extension until March 2011, to start work because of rainy weather and for additional time to open a new plant for local production of asphalt.

Recent rainy months have deteriorated additional streets besides those included in the original bid list on Exhibit A. The list includes sections of North Melrose Drive and Douglas Drive, which remain a high priority. The additional streets include sections of North Santa Fe Drive and residential streets, including Eastview Court.

Groundwater opened up a large pothole in Eastview Court a month ago. Construction Change Order 1, in the amount of \$68,996, provides for the construction of a network of drain pipes in Eastview Court to draw the groundwater away from the pavement surface. Construction Change Order 2, in the amount of \$271,004, provides the complete replacement of the damaged road section in Eastview Court and adds additional streets (shown in Exhibit A) to the overlay list.

ANALYSIS

The City of Oceanside is obligated to annually spend \$2,932,000 of discretionary funds for road improvements or maintenance aka "Maintenance of Effort" as a condition of receiving TransNet funds. Discretionary funds are funds that can be spent on anything. Oceanside primarily meets its maintenance of effort obligation by using its local discretionary funds for the street maintenance operations of the Public Works Department, and CIP projects when such funding is available.

The \$3,062,686 base amount of the construction contract approved on November 10, 2010, is funded by TransNet Local Street Improvement funds. The \$340,000 amount of Construction Change Orders 1 and 2 would be funded by GF Community Facilities funds (Fund 581). This is a local discretionary fund source that counts towards the City's TransNet "Maintenance of Effort" obligation.

SANDAG's audit of the City's compliance with the 2004 TransNet Extension Ordinance determined that the City did not spend a sufficient amount of its local discretionary funds for street-related maintenance and projects. The amount of the "Maintenance of Effort" shortfall for FY 2010 was \$1,310,184.

On March 25, 2011, the SANDAG Board of Directors approved their staff's recommendation to allow the City an additional two years, or until June 30, 2013, to make up the shortfall. With the time extension, qualifying expenditures can be made over the remaining months of FY 2011, FY 2012, or FY 2013. The City has until June 30, 2013, to spend the necessary amount of local discretionary funds for road projects.

The \$340,000 appropriation addresses the City's Maintenance of Effort requirement for FY 2011. For FY 2012 and FY 2013, staff will work with SANDAG staff and the auditors to count more of the City's existing local discretionary spending towards the Maintenance of Effort requirement. However, even with better capturing of the City's street maintenance expenditures and more favorable audit treatment, additional street construction or maintenance contracts will still be required to meet Maintenance of Effort spending requirements in the future. Any such contracts recommended by staff for approval will utilize the minimum amount of local discretion funds necessary for fulfilling Maintenance of Effort while still addressing critical street maintenance needs.

FISCAL IMPACT

The total amount of the two change orders is \$340,000, and the total amount of the construction contract including the change orders is \$3,402,686.

Funding is provided in Fund 581, GF Community Facilities CIP Fund; \$340,000 was previously transferred to Fund 581 for the Oceanside Boulevard Landscaping project, which was later cancelled. Instead, the \$340,000 will be used to fund Construction Orders 1 and 2, and a new project number will be assigned in Fund 581.

The remainder of the funding for the base construction award amount is available in Transnet Fund, Street Restoration 212 account 902754200212 with a current balance of \$3,658,000, including purchase orders. Sufficient funds are available.

INSURANCE REQUIREMENTS

The City's standard insurance requirements have been and will continue to be met.

COMMISSION OR COMMITTEE REPORT

Does not apply.

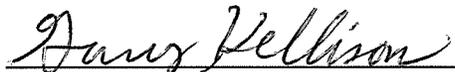
CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

RECOMMENDATION

Staff recommends that the City Council approve Change Orders 1 and 2 in the amounts of \$68,996 and \$271,004, respectively, to Granite Construction of Watsonville, California, for the Annual Overlay FY 2010-2011 project for repair and asphalt overlay of arterial streets throughout the City, for additional work requested by the City including repair of a large pothole in Eastview Court and the addition of several locations damaged by winter storms; and authorization for the City Engineer to execute the change orders; and approve a budget appropriation in the amount of \$340,000 from the GF Community Facilities CIP Fund to the project account to fund the change orders.

PREPARED BY:



Gary Kellison
Senior Civil Engineer

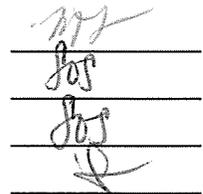
SUBMITTED BY:



Peter A. Weiss
City Manager

REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager
George Buell, Development Services Director
Scott O. Smith, City Engineer
Teri Ferro, Financial Services Director



Exhibits:

Exhibit A
Construction Change Orders 1 and 2

EXHIBIT A

Annual Overlay Project FY 2010-2011

1. Morse Street, Stewart to Coast Hwy
2. El Camino Real, Mission Avenue to Douglas Drive
3. Douglas Drive, Point Delgada to Catalina
4. Douglas Drive, Bridge to North River Road
5. College Boulevard - Roselle to Thunder
6. Melrose Drive- Oceanside Blvd to south of Sagewood
7. Cameo Drive – Rancho Del Oro Drive to Marvin Street
8. Oceanside Blvd South- Commerce to the east endpoint
9. Vista Way – El Camino Real to Rancho Del Oro Drive
10. Industry Street, El Camino Real west approximately 1400 feet
11. Graybar Court, Tiffany to end of cul de sac

Streets added by Change Order

12. Kimberly Lane, Joann Drive to Marjo Court
13. Bryan Street, Joanne Drive to Kimberly Lane
14. Marjo Court cul-de-sac
15. Mottino Drive
16. Eastview Court

**CITY OF OCEANSIDE
CONTRACT CHANGE ORDER**

DATE March 23, 2010

PROJECT # 902754200212

PROJECT TITLE: Annual Street Overlay

CHANGE ORDER # 1

PURCHASE ORDER # 1000871

This change order provides for: **paving and subgrade repair of Eastview Court and construction of a groundwater drain.**

Item Description	QTY.	Unit Price	Total Price
1. Mobilization and potholing	1 LS	\$4,500	\$4,500
2. 8" Type SDR-35 perforated pipe underdrain	740 LF	\$58	\$42,920
3. Lugged connection to 66" RCP	1 EA	\$700	\$700
4. Type SC-01 cleanouts	9 EA	\$800	\$7,200
5. Modify area drains	2 EA	\$1,000	\$2,000
6. Sidewalk, remove and replace	50 SF	\$20	\$1,000
7. Curb and gutter, remove and replace	20 LF	\$50	\$1,000
8. AC trench patching, 2" depth	1022 SF	\$8	\$8,176
9. Traffic Control / Driveway Plates / Posting No Parking	1 LS	\$1,500	<u>\$1,500</u>
		Subtotal	\$68,996
Stipulated Unit Price, Not included in Change Order 1 price:			
Overexcavate subgrade and replace with ¾" crushed rock	100 CF	\$12	\$1,200

This Change Order	\$ 68,996.00
Total to date	\$ 68,996.00

This Change Order shall include all general contractor's overhead, profit and incidentals, and contractor shall not be entitled to any additional payment regarding this Change Order.

Estimated Cost: Increase \$ 68,996.00 Decrease - No Change -

By reason of this order the time of completion will be adjusted as follows 30 working days.

Recommended by: *Amy Kellison*
Gary Kellison, Project Manager

Contract Summary:

Initial Contract Amount: \$ 3,062,686.00
 Previous Change Orders: 0.00
 This Change Order: \$ 68,996.00
 Total to Date: \$3,131,682.00

Approved: **CITY OF OCEANSIDE**

By: _____
Peter A. Weiss, City Manager

Additional Appropriation Required?: Yes
 Yes No

Approved: **Granite Construction**

By: *Curtis Haldeman*
Mike Boar, Senior Estimator Granite Const.
 Inspector *Curtis Haldeman* File

Original to: **City Clerk**
 Copies to: **Accounts Payable** Contractor

