



DATE: October 12, 2011

TO: Honorable Mayor and City Councilmembers

FROM: Development Services Department

SUBJECT: **APPROVAL OF CHANGE ORDERS 3 AND 4 AND ACCEPTANCE OF IMPROVEMENTS FOR THE ANNUAL OVERLAY FY 2010-2011 PROJECT AND AUTHORIZATION FOR THE CITY CLERK TO FILE A NOTICE OF COMPLETION**

SYNOPSIS

Staff recommends that the City Council approve Change Order 3 in the amount of \$122,664 and Change Order 4 in the amount of \$1,089,310 to Granite Construction Company for the Annual Overlay FY 2010-11 project, reduce the base bid Purchase Order authorization by \$150,000, authorize the City Engineer to execute the change orders, accept the improvements for the project, and authorize the City Clerk to file a Notice of Completion with the San Diego County Recorder.

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 included street repair and asphalt overlay of arterial streets. The contractor, Granite Construction, requested and received permission to start work in March 2011 to avoid rainy weather and to allow them to open a new plant for local production of asphalt.

On April 20, 2011, the City Council approved Change Orders 1 and 2 in the amounts of \$68,996 and \$271,004, respectively. Change Order 1 (hereinafter referred to as "CO 1", "CO 2", et cetera), provided for a drainage system in Eastview Court, which was developing large sinkhole pavement failures from high groundwater. CO 2 provided for repaving Eastview Court and residential streets in another neighborhood (Kimberly Lane, Bryan Street, Marjo Court, and Mottino Drive) that had deteriorated beyond what a slurry seal could fix.

On May 23, 2011, staff forwarded to the City Council a memo describing the unstable subgrade of Morse Street, which needed to be dug out and removed with competent base material prior to repaving. (The "subgrade" is the soil lying beneath the layers of asphalt paving and gravel road base.) The work was completed in June, and the total price for all items of work under CO 3 was \$122,664.



The net cost to the City is reduced by a concurrent reduction in the items of work contained in the base bid as discussed in the analysis section below.

On July 7, 2011, staff forwarded to the City Council a memo describing a staff recommendation to add College Boulevard between the Mission Marketplace Shopping Center and the San Luis Rey River Bridge, and North Santa Fe Avenue between Mesa Drive and Darwin Drive. (The short length of College Boulevard between the shopping center entrance and State Route 76 was skipped because of insufficient lead time to obtain a Caltrans permit for working next to the State highway).

The work on College Boulevard and North Santa Fe Avenue was completed in July 2011. The total price for all items of work under CO 4 is \$1,089,310.

ANALYSIS

The City's annual overlay program resurfaces arterial streets with a new two-inch thick layer of asphalt. The particular kind of asphalt used is Tire Modified Asphalt Concrete (TMAC). This recycled product is partially made from automobile tires and is cost competitive, performs well, reduces road noise, and helps dispose of waste tires.

The work under CO 4 was not necessitated by unanticipated subsurface conditions, but allowed the City to advance planned repaving of the included sections of College Boulevard and North Santa Fe Avenue at attractive asphalt prices. The asphalt included in CO 4 was priced at \$90 per ton versus \$110 per ton for the previous overlay contract completed by 2010.

The overall contract is based upon unit prices and the contractor is paid according to the actual quantity of work performed. Examples include tons of asphalt placed, square yards of grinding bad asphalt, or linear feet of pavement striping. The construction change orders are based upon additional quantities of same type of work items multiplied by the unit price for each item. For this contract, the sum total of the work items on the base bid sheets was less than estimated. Also, some items of work were already included in the base contract, but were paid under CO 3 for Morse Street because it was easier to track the costs that way. The result is that final amount owed to Granite Construction is approximately \$150,000 less than the contract total, and staff recommends a reduction by that amount in the Purchase Order authorization.

FISCAL IMPACT

The funding source is TransNet and the final contract costs are as follows:

Base Bid		\$3,062,686
CO 1 Eastview Drive drainage system	\$68,996	
CO 2 Eastview and additional residential street paving	\$271,004	
CO 3 Morse Street	\$122,664	
CO 4 College Boulevard and North Santa Fe Avenue	<u>\$1,089,310</u>	
Total Construction Change Orders		\$1,551,974
Reduction in Purchase Order for reduced base bid quantities		(\$150,000)
Final Contract Amount		\$4,464,660

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 Order 3 in the amount of \$122,664 and Change Order 4 in the amount of \$1,089,310 to Granite Construction Company for the Annual Overlay FY 2010-11 project, reduce the base bid Purchase Order authorization by \$150,000, authorize the City Engineer to execute the change orders, accept the improvements for the project, and authorize the City Clerk to file a Notice of Completion with the San Diego County Recorder.

PREPARED BY:

Gary Kellison
Gary Kellison
Senior Civil Engineer

SUBMITTED BY:

Peter A. Weiss
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

MS
GB
SS
TF

Attachments: Construction Change Orders 1- 4

**CITY OF OCEANSIDE
CONTRACT CHANGE ORDER**

DATE Wednesday, March 30, 2011

PROJECT # 902754200212

CHANGE ORDER # 2

PROJECT TITLE: Annual Overlay Project FY 2010-2011

PURCHASE ORDER # 1000871

This change order provides for:

Change Order # 2 for the Annual Overlay Project FY 2010-2011 for work requested by City Staff, to include the New Pavement Section for all of Eastview Court.

Item #	Description	Increased Q	Amount
1.	Mobilization	\$25,000.00	\$ 25,000.00
2.	Traffic Control	\$12,000.00	\$ 12,000.00
3.	Header and Curb Grind Asphalt	6,230 SY \$.45	\$ 2,803.50
4.	Tire Modified Asphalt Concrete	2356 tons \$ 94.00	\$ 221,557.00
5.	Adjust all Water Cans	20 ea \$ 375.00	\$ 2,625.00
6.	Adjust all Sewer Manholes	16 ea \$ 450.00	\$ 4,900.00
7.	Survey Monuments	2 ea \$ 375.00	\$ 375.00
8.	Stop Legend Thermoplastic	1 ea \$ 80.00	\$ 80.00
9.	Stop Bars Thermoplastic	20 LF \$.20	\$ 64.00
10.	Sancon Manholes	16 ea \$ 100.00	\$ 1,600.00
			<u>\$ 271,004.00</u>

Overlay Streets

1. Kimberly Lane-Joann to Marajo
2. Bryan Street- Joann to Kimberly
3. Marjo Ct.- Kimberly to End
4. Mottio Street- Bryan to Olive
5. Eastview Court- Meadowbrook to End

This Change Order #2 \$ 271,004.00

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** \$ 271,004.00 **Decrease** - **No Change** -

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

Recommended by: Gary Kellison
Gary Kellison, Project Manager

Contract Summary:

Initial Contract Amount: \$ 3,064,686.00
Previous Change Order #1 \$ 68,996.00
This Change Order: \$ 271,004.00
Total to Date: \$ 3,404,686.00

Approved: **CITY OF OCEANSIDE**

By: _____
Peter Weiss, City Manager

Approved: **Contractor**

By: Curtis Halderman
Curtis Halderman, Project Manager, Granite Construction Co.

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

Contractor

Inspector

File

**CITY OF OCEANSIDE
CONTRACT CHANGE ORDER**

PROJECT TITLE: Annual Overlay, FY 2010-2011

CHANGE ORDER No. 3
PROJECT No. 902754200212
DATE July 7, 2011
PURCHASE ORDER 1000871

This change order provides for:

Over-excavation of subgrade in Morse Street from S. Coast Hwy to Alvarado Street, placement of Mirafi HP570 geofabric, place and compact 18 to 24 inches of non-spec aggregate base, and finish pave of 4 inches of asphalt (3/4" aggregates).

Cost of Change: In accordance with Section 7.21.4 (b) CHANGE IN CONTRACT PRICE of the General Provisions, this Change Order compensates (contractor) as follows:

Increase of \$122,664.00 per the attached time and material invoices.

Cost: Increase XX Decrease _____ No Change _____

Upon careful consideration of the work specified by this change order, the contractor agrees to provide all equipment and labor, to furnish the materials except as otherwise noted above, and will accept the prices shown above as full payment to perform the services necessary to complete the work in place.

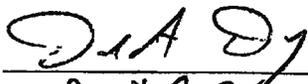
Contract Time Adjustment:

By reason of this order the time of completion will be adjusted as follows 5 days.

Contract Summary:

Recommended by: _____
(insert name here), Project Manager
CITY OF OCEANSIDE

Initial Contract Amount \$ 3,064,686
Previous CCOs (1-2): \$ 240,000
Change Order #3 \$122,664 _____

Accepted: 
Printed name: David A Donnelly
CONTRACTOR

Total to Date: \$3,427,350 _____

Approved By: _____
Scott O. Smith, City Engineer
CITY OF OCEANSIDE

Additional Appropriation Required x
Yes No

Original to: City Clerk
Contractor
Copies to: Accounts Payable
Contractor
Inspector
File

**CITY OF OCEANSIDE
CONTRACT CHANGE ORDER**

PROJECT TITLE: Annual Overlay, FY 2010-2011

CHANGE ORDER No. 4
PROJECT No. 902754200212
DATE July 7, 2011
PURCHASE ORDER 1000871

This change order provides for:

Two inches of TMAC overlay, including dig-out, grinding, restriping, replacement of pavement markings, replacement of traffic signal loops, and traffic control. Streets are College Boulevard between SR-76 and the San Luis Rey River bridge, and North Santa Fe Avenue between Mesa Drive and Darwin Drive.

Cost of Change: In accordance with Section 7.21.4 (b) CHANGE IN CONTRACT PRICE of the General Provisions, this Change Order compensates (contractor) as follows:

Estimated price of \$1,089,310. (Actual costs shall be the actual unit quantities times the unit prices on the attached estimate dated June 17.)

Cost: Increase XX Decrease _____ No Change _____

Upon careful consideration of the work specified by this change order, the contractor agrees to provide all equipment and labor, to furnish the materials except as otherwise noted above, and will accept the prices shown above as full payment to perform the services necessary to complete the work in place.

Contract Time Adjustment:

By reason of this order the time of completion will be adjusted as follows 10 days.

Contract Summary:

Recommended by: _____
(insert name here), Project Manager
CITY OF OCEANSIDE

Initial Contract Amount \$ 3,064,686
Previous CCOs (1-2): \$ 362,664
Change Order #3 \$1,089,310 _____

Accepted: *DAJ*
Printed name: David A. Donnelly
CONTRACTOR

Total to Date: \$4,516,660 _____

Approved By: _____
Scott O. Smith, City Engineer
CITY OF OCEANSIDE

Additional Appropriation Required

_____ x
Yes No

Original to: City Clerk
Contractor
Copies to: Accounts Payable
Contractor
Inspector
File