Meeting Date: September 22, 2020

Subject: Budget Adjustment for Annual Street Resurfacing, Project TS-01001

Prepared by: Jaime O. Rodriguez, Consultant – Transportation Division
Reviewed by: James Sandoval, Engineering Services Director
Approved by: Chris Jordan, City Manager

Attachment(s):   - Project Change Order Summary

Initiated by:
Transportation Division

Previous Council Consideration:
-   City Council Project Award on May 12, 2020, Agenda Item #4

Fiscal Impact:
The FY-2019/20 Annual Street Resurfacing program had a budget of $1,650,000 for street resurfacing activities. On May 12, 2020, the City Council awarded a contract in the amount of $1,082,235.50 to O'Grady Paving, plus a contingency budget of $162,335.33 that yielded a total project budget of $1,244,570.83. Change orders issued during the project exceeded the contract amount by $25,550.80. Staff is requesting authorization for the City Manager to execute a contract amendment with O'Grady Paving for the additional $25,550.80 to cover the additional work that was needed. A cost-breakdown of the change orders is included in Attachment 1.

The FY-2019/20 Annual Street Resurfacing budget has sufficient funds to pay for the contract amendment.
-   Breakdown of the FY-19/20 $1,650,000 Annual Street Resurfacing Budget:
    -   $250K CIP Fund
    -   $350K Gas Tax
    -   $500K Road and Maintenance (SB-1)
    -   $550K Measure B
-   Amount already included in adopted CIP budget? Yes
-   Amount requested above adopted CIP budget requested: $0

Environmental Review:
Categorically exempt

Reviewed By:

City Manager   City Attorney   Finance Director

_____   _____   _____

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Policy Question(s) for Council Consideration:
Does the Council support the project budget amendment to allow for the completion of the Annual Street Resurfacing project awarded to O'Grady Paving?

Summary:
- The City is requesting a contract budget adjustment in the amount of $25,550.80, for the contract with O'Grady Paving for the Annual Street Resurfacing Program, Project TS-01001.
- The budget adjustment is required to compensate the contractor for roadway striping and signage improvements implemented along the Almond Avenue (San Antonio Road to El Monte Avenue) and Covington Road (El Monte Avenue to Springer Road) corridors.

Staff Recommendation:
Authorize the City Manager to execute a contract amendment with O'Grady Paving in the amount $25,550.80, or a total not to exceed project budget of $1,270,121.63, for the Annual Street Resurfacing Program, Project No. TS-01001.

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Purpose
The City is requesting a project amendment with O'Grady Paving in the amount of $25,550.80 for a total not to exceed project budget of $1,270,121.63 to accommodate unanticipated change orders in the project.

Background
The Annual Street Resurfacing Project, TS-01001, is dedicated to repair and maintain asphaltic concrete (A/C) roadways in the City. On May 12, 2020, the City Council awarded a contract in the amount of $1,082,235.50 to O'Grady Paving, plus a contingency budget of $162,335.33 that yielded a total project budget of $1,244,570.83. A contract amendment to add $25,550.80 in additional funds is required to compensate the contractor for additional work completed on the project.

Discussion/Analysis
The Annual Street Resurfacing project contingency with O'Grady Paving is $162,335, representing 15% of the project's total budget. During construction of the Annual Street Resurfacing Project, the City experienced unanticipated expenditures to accommodate the following work:

- Concrete gutter repair work identified during paving operations.
- Installation of temporary A/C ADA Curb Ramps in Downtown Los Altos along Main Street and State Streets as part of the Downtown Los Altos – Open Streets Program
- Changes in roadway striping along Almond Avenue (San Antonio Road to El Monte Avenue) and Covington Road (El Monte Avenue to Springer Road). The original project anticipated putting back the original striping. Changes were made during construction to accommodate improved bicycle and pedestrian facilities on both corridors.

The contractor, O'Grady Paving, in efforts to help the City complete the project agreed to implement the final project striping modifications while the City pursued this contract amendment. The changes were approved for implementation by staff on September 2, 2020.

Options

1) Authorize the City Manager to execute a contract amendment with O'Grady Paving in the amount of $25,550.80 for a not to exceed contract amount of $1,270,121.63.

    Advantages: Will allow the City to compensate the contractor for work already completed in the field to enhance bicycle and pedestrian safety.

    Disadvantages: None.

2) Do not approve a contract amendment with O'Grady Paving for work completed.

Advantages: None.

Disadvantages: City would need to execute a separate contract with O'Grady for work already completed.

Recommendation

The staff recommends Option 1.

Annual Resurfacing Project, TS-01001

Project Item	Project Budget
Construction - Base Bid plus Add. Alternative 1	$ 1,082,235.50
Construction Contingency (15%)	$ 162,335.33
Total Approved Construction Cost	**$ 1,244,570.83**
Change Order 1 : Concrete Gutter Repair	*$ 26,400.00*
Change Order 2 : ADA ramp installations for Open Streets Los Altos	*$ 23,700.00*
Change Order 3 (See breakdown below):	*$ 137,786.13*
Quantity Adjustment of Base Bid and Add Alt. 1 Items	*$ 71,967.51*
Replaement of Traffic Loop Conduit	*$ 814.12*
Striping Quantity Adjustment and Additional Costs	*$ 65,004.50*
Total Change Order Amount	**$ 187,886.13**
New Contract Amount	**$ 1,270,121.63**
Required Budget Adjustment	**$ (25,550.80)**