



AGENCY: City Council
MEETING DATE: February 14, 2022
DEPARTMENT: Public Works
PRESENTED BY: C. O'Neal
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AGENDA ITEM SUMMARY

TITLE:

Receive Report and Consider Adoption of City Council Resolution Authorizing City Manager to Execute Contract Change Order for the Design of the 2022 Streets Rehabilitation Project, City Project No. PWP-00120, Increasing the Amount of the Design Contract with R.E.Y. Engineers, Inc., by a Not to Exceed Amount of \$82,000

ISSUE:

On December 13, 2021, the City of Fort Bragg entered into a contract in the amount of \$175,000.00 with R.E.Y. Engineers Inc. (R.E.Y.) to complete construction design bid documents for the 2022 Streets Rehabilitation Project, City Project No. PWP-00120 (Project). Since that time, the scope of the design work associated with the project has experienced changes in response to findings during the design team meetings, review of existing City studies, and investigations of the underlying and subsurface conditions. R.E.Y. has tracked and logged all scope changes that are proposed to affect the budget and determined the total increased costs are projected to be 47% above the contracted amount for a contract increase of \$82,000. The new proposed contract amount total is \$257,000.00.

ANALYSIS:

On December 17, 2021, Public Works staff held a team meeting to discuss the project and refine details of the design with R.E.Y. Engineers. The existing project scope included three components: 1) rehabilitation of eight (8) City streets, 2) striping rehab/replacement along nine (9) streets including stamped crosswalks, and 3) the placement of bollards in the Central Business District (CBD). As each element of the project was reviewed, multiple additional areas of concerns were addressed. Several of the additional areas of work were proposed in R.E.Y.'s proposal, and this additional work became clearly important to the project as the conversation progressed. Other items being added are at the request of City staff based on the project's proximity to the Central Business District and the necessity of the work's completion to the overall function of Public Works to serve residents of the City with infrastructure.

The proposed additional work includes:

1. The addition of North Harold Street into the striping area. The original scope only included South Harold Street. This addition was added by staff in response to the recent challenges discussed by Public Safety surrounding the route to the Middle School along Harold Street.
2. Clarification of the limits of the work proposed on Franklin Street. The original quantities of work calculated by staff included only areas of dig-outs along the roadway. In discussions, it was decided that upon correction of the dig-out areas, a fully finished surfaced roadway was preferred. Instead of having a patch-worked street along one the primary City roadways, the finished product will include either a

slurry seal or micro-surfacing from gutter to gutter, which will result in a consistent appearance across the length of the work areas.

3. After review of the City's storm drain master plan along the areas of rehabilitation, R.E.Y. identified three areas where hydraulic deficiencies were noted for rehabilitation of the storm drain pipes. This change has the largest impact to the proposed budget increase, but staff feels that failure to upgrade these pipes within the project area now will only lead to additional deferred maintenance costs and potential pavement failure in these areas of rehab in the future.
4. During recent efforts aimed to revitalize the City's CBD, staff has identified the need for rehab to the decorative street lights. This has been identified as another small add being requested with the design. This primarily includes repainting the lights for a finished look.
5. A recent request for water and sewer services on Halsey Way has led to a discovery that the City infrastructure map in this area was incorrect. Thus, in order to provide service to residential customers, both the water and sewer line would need to be extended.

Staff asked R.E.Y. to prepare a summary cost estimate for the additional changes and this resulted in Change Order No 1 (Attachment 2). The estimated cost increases are to perform the additional design effort, including utility mark and locate, geotechnical investigation, identification of utility conflicts, surveying, pavement condition assessment verification and preparation of the additional plan sheets. Staff and R.E.Y. have discussed potential areas of savings that may be found through the design, but due to the large projected increase in costs, a contract cost amendment is being requested in order to authorize the additional work for this project early to prevent undue over-runs in the contract amount. This projected design work will result in additional construction costs associated with the additional work. These additional construction costs will be evaluated and modifications will be made to the project's Capital Improvement Program costs at the time of the annual budget review.

RECOMMENDED ACTION:

Adopt Resolution Authorizing City Manager to Execute Contract Change Order for the Design of the 2022 Streets Rehabilitation Project, City Project No. PWP-00120, Increasing the Amount of the Design Contract with R.E.Y. Engineers, Inc., by a Not to Exceed Amount of \$82,000.

FISCAL IMPACT:

Funds in the amount of \$2,077,000 were appropriated in the budget for this project's design and construction based on the original scope of work when it was considered in FY 2020-21 and FY 2021-22 (Figure 1 below), \$154,000 of which was to be dedicated to the project's design (Professional Services). Staff routinely estimates the cost of design as a percentage of the cost to construct as is industry practice. Staff's early estimate of the additional cost to construct (based on the work proposed) is approximately \$700,000 (\$650,000 is estimated for the storm drain work). The requested \$82,000 increase in contract cost is approximately 11.5% of the cost to construct, which is well within the tolerance of expected cost for design.

Project Cost Details								
Activity	Prior Year	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	Future	Total
Professional Services	154,000							154,000
Construction		1,710,000	-		-	-	-	1,710,000
Construction Management		213,000						213,000
Other								-
Total Project Cost	\$ 154,000	\$ 1,923,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,077,000

Figure 1: CIP Excerpt from FY 21-22 Adopted Budget

There are adequate funds available to cover the increased design and construction costs. The project will now occur in the 2022/23 fiscal year instead of the FY 2021/22. The additional funds will be a combination of water enterprise (Halsey Way), wastewater enterprise (Halsey Way), and streets special sales tax for the remaining items.

This project is primarily programmed to be funded by the City Special Street Sales Tax. Additional funding components include a \$600,000 contribution from Local Partnership Program (LPP), Formulaic money from Senate Bill 1 (SB-1), and \$162,000 from Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA, HR 133) for transportation infrastructure funding. The exact enterprise cost contributions will be finalized at the time of payment based on services actually rendered.

GREENHOUSE GAS EMISSIONS IMPACT:

There will be no increase in greenhouse gases during the design phase of this project.

CONSISTENCY:

The proposed use of the Special Street Sales Tax, SB-1, and CRSSA funds for this project is consistent with their intended use(s) for repairing, maintaining and reconstructing City streets and underlying infrastructure.

IMPLEMENTATION/TIMEFRAMES:

The current timeline estimate for complete bid documents is July 29, 2022. Project bidding and construction timeline has not been decided, as it will depend on staffing and factors surrounding proposed work by Caltrans on Main Street, to ensure that both primary City routes are not in construction at the same time.

ATTACHMENTS:

1. RESO R.E.Y. Design Contract Amendment
2. Contract Change Order #1 Request
3. 1st Amendment to Professional Services Agreement

NOTIFICATION:

1. Aaron Brusatori, PE, Project Manager, R.E.Y. Engineers, Inc.