



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 12, 2011

TO: Mayor and Councilmembers

FROM: Engineering Division, Public Works Department

SUBJECT: Increase In Construction Change Order Authority For The American Recovery And Reinvestment Act Road Overlay Project

RECOMMENDATION: That Council:

- A. Authorize an increase in the Public Works Director's Change Order Authority to approve expenditures for extra work for the American Recovery and Reinvestment Act (ARRA) Road Overlay Project (Overlay Project), Contract No. 23,321 between the City and Nye and Nelson, Inc., in the amount of \$206,480, for a total construction contract expenditure authority of \$1,415,703; and
- B. Authorize the Public Works Director to execute a City Professional Services Contract with Flowers and Associates (Flowers) in the amount of \$26,564 for construction support services associated with the Overlay Project, and approve expenditures of up to \$2,656 for extra services of Flowers that may result from necessary changes in the scope of work.

DISCUSSION:

BACKGROUND

In September 2009, the Federal Highway Administration (FHWA) authorized the expenditure of \$2,674,796 in grant funds for citywide road maintenance. The funding was divided into two separate construction contracts, the Overlay Project and the ARRA Road Maintenance Project (Maintenance Project). The Overlay Project consists of improving roads that require extensive spot repairs and also includes asphalt pavement overlay, which is the City's premiere roadway surface treatment. The Maintenance Project consists of sealing (slurry or cape) roadway surfaces after spot repairs are completed.

On March 16, 2010, Council awarded the construction contract for the Overlay Project to Nye and Nelson, Inc., in the amount of \$1,045,276, plus a change order amount of \$120,878 for a total of \$1,166,154. On July 13, 2010, Council authorized the expenditure of an additional \$90,000 of City funds for the asphalt pavement overlay at

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the Carrillo Street/Highway 101 Underpass. In May 2011, the change order balance was reduced by \$46,931 for contract quantity adjustments, bringing the total change order authority to \$163,947.

CURRENT STATUS

The Maintenance Project contract is complete, and there is now the opportunity to utilize unspent ARRA funds from the Maintenance Project towards the Overlay Project. Utilizing these funds can be accomplished as described below through increasing the current Overlay Project contract by \$206,480. Staff coordinated with Caltrans to determine options available to expend unspent ARRA funds. Staff was informed that these funds could only be used toward an existing contract for work that was competitively bid, but not originally awarded. Fortunately, the Maintenance Project and Overlay Project contracts both fall under one FHWA project category.

The Overlay Project was bid as a base bid plus three alternative bid items to match bids with available ARRA funding. The construction contract award included the base bid and only Alternative Bid Item 3 since at that time there were not sufficient ARRA funds to award Alternative Bid Item 2. It is now opportune to add a portion of Alternative Bid Item 2 to the Overlay Project contract so the available ARRA funding is fully expended. The added Alternative Bid Item 2 work includes spot repairs on Santa Barbara, Bath, and Garden Streets. The added work is comprised of approximately 23,000 square feet of localized spot repairs, which will be dug out, repaired, and replaced with a new asphalt surface.

BUDGET/FINANCIAL INFORMATION:

The following summarizes the additional expenditures recommended in this report:

CONSTRUCTION CONTRACT FUNDING SUMMARY

	Federal Share	City Share	Total
Base Contract Amount	\$1,045,276	\$0	\$1,045,276
Contract Change Order Authority	\$163,947	\$0	\$163,947
Additional Change Order Authority	\$177,692	\$28,788	\$206,480
Totals	\$1,386,915	\$28,788	\$1,415,703

Council has previously appropriated the federal funds allocated for this Overlay Project. Authorization of this extra work will result in the expenditure of \$177,692 in unspent ARRA funds. The proposed use of the remaining ARRA funds will be pavement maintenance.

The City cost for this extra work totals of \$74,088, which covers a portion of the contract cost (\$28,788) plus professional services for construction management and inspection (\$29,220) as well as the cost of additional City staff time (\$16,000). There are sufficient funds in the Streets Capital Fund to cover the City's cost.

The following summarizes all Project design costs, construction contract funding, and other Project costs.

ESTIMATED TOTAL PROJECT COST

**Cents have been rounded to the nearest dollar in this table.*

	Federal Share	City Share	Total Cost
Design (by Contract and City staff)	\$0	\$42,283	\$42,283
Subtotal	\$0	\$42,283	\$42,283
Construction Contract	\$1,045,276	\$0	\$1,045,276
Construction Change Order Allowance	\$163,947	\$0	\$163,947
Increase Construction Change Order	\$177,692	\$28,788	\$206,480
Subtotal	\$1,386,915	\$28,788	\$1,415,703
Project Management (by City Staff)	\$0	\$27,500	\$27,500
Increase Project Management (by City Staff)	\$0	\$16,000	\$16,000
Construction Management and Inspection (by Contract)	\$74,800	\$0	\$74,800
Increase Construction Management and Inspection (by Contract)	\$0	\$29,220	\$29,220
Material Testing (by Contract)	\$20,738	\$0	\$20,738
Subtotal	\$95,538	\$72,720	\$168,258
TOTAL PROJECT COST	\$1,482,453	\$143,791	\$1,626,244

Items in bold are increases as a result of the extra work

In summary, it is the best interest of the City to fully utilize the ARRA funding available.

PREPARED BY: John Ewasiuk, Principal Civil Engineer/TC/sk

SUBMITTED BY: Christine F. Andersen, Public Works Director

APPROVED BY: City Administrator's Office