

"Placerville, a Unique Historical Past Forging into a Golden Future"



City Manager's Report

April 27, 2021 City Council Meeting

Prepared by: Melissa McConnell, Associate Civil Engineer

Item #: 12.5

Subject: Adopt a Resolution:

1. Ratifying Construction Contract Change Orders No. 1 through 6 in the aggregate amount of \$270,017.73 and approving Change Orders 7 through 14 in the aggregate amount of \$197,525.03 with Doug Veerkamp General Engineering, Inc. for the Spring Street Pavement Repair – from Coloma Road to Bedford Avenue project (CIP #41907), and authorizing the City Manager to execute the same; and
2. Approving a budget appropriation from the Measure L Fund Construction Reserve in the amount of \$27,348 for the said project; and
3. Approving a \$45,000 budget appropriation from the Sewer Enterprise Fund Contingency for Unforeseen Expenditures for the said project; and
4. Approving a \$142,652 budget appropriation from the Water Enterprise Fund Contingency for Unforeseen Expenditures for the said project; and
5. Approving a Consulting Services Amendment No. 3 with R.E.Y. Engineers, Inc. in the amount of \$20,000 for the said project.

Purpose: The Spring Street Pavement Repair scope is to rehabilitate the pavement on Spring Street between Coloma Road (Highway 49) on the west and Bedford Avenue on the east up to the State right-of-way at US Highway 50, along with addressing much needed repairs and partial replacements to select underground utilities.

Background: Following City Council approval of the construction contract on August 25, 2020, Spring Street construction began on September 28, 2020 on the first segment, from Coloma/Highway 49 to Tunnel Street and performed the contract work, moving west to east. Prior to construction and throughout design, there had been an extensive investigation and evaluation of the existing utilities and it yielded no indication of issues with the existing water main other than the need to replace select services for the risk of a small lead component based on coordination and inspections by the Public Works Department, Engineering Department, and the design team. Storm drain was known to be shallow, but had been video inspected and appeared to be in acceptable and serviceable condition.

The existing road section of Spring Street from Coloma Road to Tunnel Street consisted of 2" of failed asphalt placed on top of a 4" thick concrete slab that spanned majority of the width of Spring Street with existing utilities located directly below the slab. To address paving and subgrade concerns, the concrete slab was removed and it exposed masked and unknown issues with the existing utilities that also contributed to subgrade deterioration. The water main and storm drain main were both found to have insufficient cover from the surface of the road and once the concrete slab was removed, the fragility of the systems were revealed. On October 2, 2020, a segment of the existing water main failed, necessitating immediate repairs and interruption to service. On October 5, 2020, as the contractor attempted to move operations and grade the site in other areas to stay productive, the existing clay storm drain system that runs along the north side of Spring Street was

exposed and collapsed due to brittle material and lack of cover. On October 6, 2020, City Council held a special meeting and approved the preliminary Construction Contract Change Orders No. 3 and No. 5, allowing for replacement of what was known at the time for both the failed storm drain and water main systems, up to a not to exceed amount of \$205,000. Since that time, the specific dollar amounts of change orders No. 3 and No. 5 have changed. Staff is requesting the City Council to ratify the revised change orders.

Discussion:

Contract Change Orders

As construction progressed, additional contract change orders (CCOs) became necessary to address differing site conditions, unforeseen conditions, project challenges and opportunities, and all the while attempting to keep the work on schedule amidst the busyness of Apple Hill season. Below is a summary of the CCOs for ratification and approval to move towards close out of the project:

- Ratify CCO No. 1 Remove Concrete Slab (\$24,500): This CCO is extra work at agreed lump sum for the unknown concrete slab identified during installation of the water services that needed to be removed along with roadway reconstruction as described in the discussion section above.
- Ratify CCO No. 2 Curb, Gutter, and Sidewalk (\$24,500): This CCO is extra work at agreed lump sum for the curb, gutter, sidewalk, and driveways that needed to be rebuilt after identifying the limits of storm drain removal (partially located under the curb and gutter).
- Ratify CCO No. 3 Storm Drain Replacement (\$59,717.73): This CCO was originally a part of Council action at the October 6, 2020 Special Council meeting and came in lower than the anticipated \$70,000. This change order is being ratified to utilize Measure L savings on the overall project budget.
- Ratify CCO No. 4 Water Valves and Service Repairs (\$18,400): This CCO is extra work at agreed lump sum for the water valves needed to be replaced and added at Tunnel Street and Coloma Road per direction and collaboration with Public Works. This change order also includes ancillary water service repairs identified during construction to support the functionality of the additional valves.
- Ratify CCO No. 5 Water Main Replacement (\$124,000): This CCO was originally a part of Council action at the October 6, 2020 Special Council meeting and came in lower than the anticipated \$135,000. This change order is being ratified to utilize its savings on the overall project budget.
- Ratify CCO No. 6 Potholing (\$18,900): This CCO is extra work at agreed lump sum for potholing that was needed to determine the potential alignment of the storm drain relocation at the Tunnel Street intersection that stemmed from evidence of system failure.
- Approve CCO No. 7 – Tunnel Street Storm Drain (\$119,000): Construction rapidly progressed through October 2020 and additional storm drain system replacement was identified and deemed critical at the intersection of Tunnel Street and Spring Street. The existing storm drain system was located through a parking lot and extended underneath the existing building at 901 Spring Street. At one point, a partial relocation of storm drain in this area was considered during design, but the condition of the storm drain pipe and relocation profile was not able to be completed until the contractor could pothole and evaluate all utility crossings during construction. While the contractor was working in the area, an urgent concern surfaced that private sewer services may be directly connected to the City’s storm drain system in various locations, which discharges to Hangtown Creek. This pushed this storm drain work from urgent

into an emergency force account mode on the grounds of public health and safety and the contractor was directed to address the system through tracking time and materials in accordance with the executed contract. Because of the excellent working relationship of the team, the contractor agreed to proceed at risk. When the tracked amount was received for the completed work, it was thoroughly evaluated and also found to exceed the City Manager's current signatory authority, thus the reason for it being presented to Council as part of this item. In hindsight, Engineering staff should've communicated to the City Manager the need for a special meeting where an update would be provided to City Council and the public, explaining the issue and potential cost for this unknown work. Although there wasn't a known dollar amount at that time nor was there a fully identified scope, nonetheless, communicating concerns and updating the City Council more regularly will be the path moving forward. The Engineering Department has developed a Standard Operating Procedure (SOP) on how to better address emergency concerns and spending limitations during construction, including an alert tracking function in the project budget spreadsheet. This effort also includes preparing a request to update City Council with the information that is known at the time of the request and regular updates on the progress of the work thereafter. This is a mistake and a lesson not to be taken lightly by the Engineering Department, and it will not be repeated on future projects. It's important to note that the significant staff reduction due to retirements and overwhelming workload in the Engineering Department as a result of the COVID 19 pandemic and the increased personal and professional demands on the remaining staff and their workload indirectly contributed to this oversight. The Engineering Department is asking for City Council's and the public's forgiveness on this mistake given the extraordinary circumstances of the pandemic and has a plan forward to prevent future occurrences. This work has been completed in the field and has restored the intersection storm drain system to a safe, clean, reliable, and serviceable system.

- Approve CCO No. 8 Sewer Service Repairs (\$21,500): This extra work was for the replacement of various sewer services that were discovered during construction to be tied directly into the storm drain system and needed to be appropriately connected to the sewer main as indicated in the discussion of the previous CCO.
- Approve CCO No. 9 Storm Drain Investigation (\$17,500): This CCO is extra work at agreed lump sum for the investigation of the unidentified active pipe that was discovered under the parking lot at 901 Spring Street and blind-tied into the storm drain system being relocated in CCO No. 7. This CCO also includes the replacement of damaged storm drain pipe discovered on the opposite side of Tunnel Street.
- Approve CCO No. 10 Traffic Control Sequence (\$11,000): This CCO is extra work at agreed lump sum for out of sequence traffic control. The timing of the storm drain replacement at Tunnel Street and storm drain replacement on Spring Street phase 2 required the contractor to work out of sequence to maintain access to the County buildings and stabilize the roadway over the holiday.
- Approve CCO No. 11 Utilities, SWPPP, and Driveway Repair (\$12,800): This CCO is extra work at agreed lump sum for various unforeseen utility box repair, additional SWPPP modifications due to a large rain event, and driveway repair at the Shakespeare Club parking lot exit.
- Approve CCO No. 12 Pavement Digouts and Tree Removal (\$6,600): This CCO is extra work at agreed lump sum for additional digouts needed to stabilize the subgrade due to unsuitable conditions, including removal of a fully intact tree found beneath the roadway subgrade during potholing.

- Approve CCO No. 13 Storm Drain Inlet Markers (\$3,340): This CCO is extra work at agreed lump sum for the installation of standard metal medallions to be placed at all storm drain inlets in the project limits as required by the City's MS4 permit with the state.
- Approve CCO No. 14 Final Bid Item Balancing (\$5,785.03): This CCO is to document the decrease in bid items at bid item price, the unused force account balance, and the increase in bid items paid at bid item price.

Approval and ratification of the above listed change orders will allow the construction contract to move forward towards close out and staff will return with an issuance of a Notice of Completion and release of retention in the next several months.

REY Contract

Staff is recommending approval of Amendment No. 3 in the amount of \$20,000 to the Consulting Services Agreement with R.E.Y. Engineers, Inc. This amendment covers additional construction management services due added contract working days as a result of increased scope of construction for the unforeseen underground storm drain, sewer, and water replacement work, as noted in the change orders listed above. The original construction contract was anticipated to be 75 working days, and there were 30 additional working days associated with the unforeseen underground utility work.

Options:

1. Approve the actions as recommended by staff.
2. Direct staff to take other actions.

Cost: The total cost of the proposed contract change orders No. 1 through 14 with Doug Veerkamp General Engineering, Inc. is in the total amount of \$467,542.76. The cost of the proposed Amendment No. 3 with R.E.Y. Engineers, Inc. is \$20,000.

Budget Impact: The City Council adopted the Fiscal Year 2018/2019 Capital Improvement Program Budget which appropriated \$180,000 for the Spring Street Pavement Repair-From Coloma Road to Bedford Avenue (CIP #41907). At its meeting held on July 14, 2020, the City Council approved an additional \$900,000 budget appropriation. At a special meeting held on October 6, 2020, City Council approved an additional \$205,000 budget appropriation for a total project budget of \$1,285,000. Tonight, staff is recommending a \$27,348 budget appropriation from the Measure L Fund Construction Reserve, a \$142,652 budget appropriation from the Water Enterprise Fund Contingency for Unforeseen Expenditures, and a \$45,000 budget appropriation from the Sewer Enterprise Fund Contingency for Unforeseen Expenditures for a total proposed project budget of \$1,500,000 as shown below:

Funding Source	Revised Project Revenue Budget	Proposed Project Revenue Budget	Increase/ (Decrease)
Measure L Fund	\$ 1,285,000	\$ 1,312,348	\$ 27,348
Water Enterprise Fund	-	142,652	142,652
Sewer Enterprise Fund	-	45,000	45,000
Total	\$ 1,285,000	\$ 1,500,000	\$ 215,000

To date, the project has encumbered the following costs:

Doug Veerkamp General Engineering, Inc. (Approved Contract)	\$ 703,831
Doug Veerkamp General Engineering, Inc. (Proposed Change Order No. 1)	24,500
Doug Veerkamp General Engineering, Inc. (Proposed Change Order No. 2)	24,500
Doug Veerkamp General Engineering, Inc. (Proposed Change Order No. 3)	59,718
Doug Veerkamp General Engineering, Inc. (Proposed Change Order No. 4)	18,400
Doug Veerkamp General Engineering, Inc. (Proposed Change Order No. 5)	124,000
Doug Veerkamp General Engineering, Inc. (Proposed Change Order No. 6)	18,900
Doug Veerkamp General Engineering, Inc. (Proposed Change Order No. 7)	119,000
Doug Veerkamp General Engineering, Inc. (Proposed Change Order No. 8)	21,500
Doug Veerkamp General Engineering, Inc. (Proposed Change Order No. 9)	17,500
Doug Veerkamp General Engineering, Inc. (Proposed Change Order No. 10)	11,000
Doug Veerkamp General Engineering, Inc. (Proposed Change Order No. 11)	12,800
Doug Veerkamp General Engineering, Inc. (Proposed Change Order No. 12)	6,600
Doug Veerkamp General Engineering, Inc. (Proposed Change Order No. 13)	3,340
Doug Veerkamp General Engineering, Inc. (Proposed Change Order No. 14)	5,785
R.E.Y. Engineers, Inc. (Original Agreement)	126,497
R.E.Y. Engineers, Inc. (Amendment No. 1)	128,131
R.E.Y. Engineers, Inc. (Amendment No. 2)	-
R.E.Y. Engineers, Inc. (Proposed Amendment No. 3)	20,000
Aqua-Metrics Sales Company	4,490
B&B Locating	1,800
Ferguson Enterprises, Inc.	5,060
Mountain Democrat	89
El Dorado County Recorder-Clerk	50
City Personnel	41,748
Total	\$ 1,499,239

The \$1,499,239 in encumbrances, including the proposed \$467,542.76 in contract change orders with Doug Veerkamp General Engineering, Inc. and the \$20,000 for Amendment No. 3 with R.E.Y Engineers, Inc., is within the proposed project budget of \$1,500,000.

Recommendation: Adopt a resolution:

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M. Cleve Morris, City Manager



Rebecca Neves, City Engineer

Attachments:

- A. Resolution
- B. Project Exhibit