



DATE: September 17, 2024

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT: Adopt a Resolution Authorizing the City Manager to Amend the Contract with EBA Engineering by \$57,630.69 for the Removal of Underground Fuel Storage Tanks for a Not-to-Exceed Amount of \$162,343 for the Mission Boulevard Corridor Improvements Phase 3 Project, Project No. 05287

RECOMMENDATION

That Council adopts the attached resolution (Attachment II) authorizing the City Manager to amend the Contract with EBA Engineering (EBA) for additional services to remove an additional three underground fuel storage tanks for the Mission Boulevard Corridor Improvements Phase 3 project by \$57,630.69 for a not to exceed amount of \$162,343.

SUMMARY

Construction of the Mission Boulevard Corridor Improvements Phase 3 project from A Street to Rose Street started on July 10, 2023. After the start of construction, several unforeseen issues were encountered that have extended the estimated construction completion date to Summer of 2025.

One of the issues encountered during construction was an unanticipated existing underground fuel storage tank (UST). The UST encountered was removed by EBA through a purchase order. Since then, three additional USTs were discovered at a different location. The cost to remove these additional USTs exceeds the purchase order threshold.

Staff recommends that Council authorizes the City Manager to amend the contract with EBA to increase the contract amount by \$57,630.69, with a total not to exceed amount of \$162,343.

BACKGROUND

Construction of Phase 1 of the Mission Boulevard Corridor Improvement Project from A Street to Industrial Parkway and Foothill Boulevard from Mission Boulevard to Apple Avenue was completed in January 2014. Construction of Phase 2 of the project from

Industrial Parkway to the south City limit at Blanche Street was completed in March 2021. The third and final phase of the Mission Boulevard Corridor Improvement Phase 3 project is from A Street to the north City limit at Rose Street.

On February 07, 2023¹, Council adopted a resolution approving the plans and specifications for the construction of the Mission Boulevard Corridor Improvement Phase 3 project and call for bids. On April 25, 2023², Council adopted a resolution awarding the construction contract to general contractor DeSilva Gates Construction for the construction of this project.

DISCUSSION

Construction for the project started on July 10, 2023. After removal of the sidewalk on the west side of Mission Blvd., between Smalley Avenue and A Street an underground fuel storage tank (UST) was uncovered by the contractor. A cost proposal from the general contractor was received; however, due to high cost quoted for testing and removal of the UST, staff requested cost proposals from other certified tank removal contractors. EBA, who has successfully removed USTs in another City project had the lowest cost. EBA's cost proposal included permitting, removal of the tank by a certified tank removal subcontractor, testing of the soil and final reporting. A purchase order was issued to EBA after which the UST was successfully removed, the underlying soil was tested and the final reporting completed.

EBA was in turn tasked to research historical records in anticipation of possible additional USTs along the project route of Mission Blvd. They determined that there are two other locations that were former gas stations. When the contractor removed the sidewalk on the west side of Mission Blvd., between Grace Street and Melvin Court, they uncovered three additional USTs. EBA's cost proposal to remove the three USTs is \$57,630.69, which includes soil testing and final reporting.

While the cost for removal of the first tank was processed through a requisition for a purchase order, this added cost exceeds the purchase order threshold. Staff recommend execution of an amendment to increase the value of the contract with EBA for UST removal services by \$57,630.69 for a total not-to-exceed contract amount of \$162,343.

ECONOMIC IMPACT

Since a portion of this project is funded by Measure BB, this project is required to meet Local Business Contracting Equity (LBCE) Program goals. The participation goals are 60% for Local Business Enterprise (LBE) and 20% for Small Local Business Enterprise (SLBE) pursuant to the Alameda CTC Local LBCE Program. DeSilva Gates Construction (DGC) has listed 37% LBE participation and 4% SLBE participation which do not meet the goals;

¹ <https://hayward.legistar.com/LegislationDetail.aspx?ID=6016047&GUID=BF9CF5A0-AF01-4CA0-9A64-8AA3D25988FC&Options=&Search=>

² <https://hayward.legistar.com/LegislationDetail.aspx?ID=6187475&GUID=F3CFD36B-63D9-457D-A1B1-7A19356405F1&Options=&Search=>

however, DGC has provided documentation of good faith efforts. Staff continues to track DGC's listed LBE and SLBE participation throughout construction.

In addition to the LBCE goals, the City's Community Workforce Agreement is a requirement of the contract since the engineer's estimate is over \$1,000,000. One of the CWA goals is that Hayward residents and especially Hayward Unified School District Graduates will perform a minimum 30% of the hours worked on a craft-by-craft basis. Currently, electricians are meeting the goal at 33%, laborers are at 24%, teamsters are at 2%, operating engineers are at 1%, and carpenters are both at 0%. Staff continues to track and remind the contractor of the goal.

Completion of Phase 3 improvements will result in a complete street and positive economic benefits for businesses along the Mission Boulevard Corridor. Additionally, this project will contribute to the economic vitality of the City and County since this project is required to meet the LBCE goals.

FISCAL IMPACT

The estimated project costs for Phase 3 are as follows:

	Estimated Cost
Design	\$1,800,000
Construction	\$15,742,743
Construction Contingency (ACO)	\$1,574,274
Estimated PG&E Contract for Undergrounding	\$1,800,000
Construction Admin, Inspection, Testing	\$2,288,000
Phase 3 Project Total	\$23,205,017

The Adopted FY2025 CIP includes a total of \$23,205,017 for the Mission Boulevard Corridor Improvements Phase 3 project. Staff recommends funding the increase costs for the amendment amount with EBA through the appropriated project budget. Currently, there is sufficient funding in Construction Admin, Inspection and Testing to absorb the additional costs associated with the amendment to EBA Engineering contract.

STRATEGIC ROADMAP

This agenda item supports the Strategic Priority of Improve Infrastructure. Specifically, this item relates to the implementation of the following project:

Project 7c: Complete design of Mission Boulevard Phase 3 and construction

SUSTAINABILITY FEATURES

This project incorporates sustainability features as they relate to water, energy, and the environment. Additionally, improvements such as the cycle track and sidewalk will

promote health through physical activity.

PUBLIC CONTACT

Prior to the start of construction, notices were mailed to businesses and residents informing them of the work and start of construction. Businesses and residents are also notified prior to temporary closures at their frontage for demolition of the sidewalk and improvements. The USTs mentioned in the Discussion section have delayed work at the frontage of the business where existing sidewalks have been removed.

NEXT STEPS

If Council approves the resolution for this amendment, staff will increase the contract amount with EBA. EBA has tentatively scheduled removal of the USTs the last week of September or the first week of October.

Prepared by: Dave Hung, Senior Civil Engineer
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Recommended by: Alex Ameri, Director of Public Works

Approved by:



Dustin Claussen, Interim City Manager