



DATE: November 19, 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 \$60,000 for the Removal of Underground Fuel Storage Tanks for a Not-to Exceed Amount of \$222,343 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 \$60,000 for a not-to-exceed amount of \$222,343.

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. On September 17, 2024, Council authorized the City Manager to amend EBA's contract to remove three additional USTs when these were discovered at a different location. Since then, an additional UST has been discovered and needs to be removed. The cost to remove additional USTs exceeds the previous amended amount.

Staff recommends that Council authorizes the City Manager to amend the contract with EBA to increase the contract amount by \$60,000, with a total NTE amount of \$222,343.

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.

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.

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.

On September 17, 2024³, Council authorized the City Manager to amend EBA's contract by \$57,630.69 for a not-to-exceed amount of \$162,343 to remove three additional USTs.

DISCUSSION

Demolition of the existing sidewalk is at its final stretch of this project in the northbound direction from A Street to Grace Street. On November 7, 2024, during sidewalk demolition, one UST was discovered on the east side of Mission Blvd., between Hotel Avenue and Grace Street. With the remaining sidewalk between A Street and Hotel Avenue that has not yet been demolished, if additional USTs are discovered, staff recommends including removal of two additional tanks. If none are discovered, EBA will not invoice for the additional tanks. EBA's cost proposal to remove three USTs is \$60,000 which includes soil testing and final reporting.

Staff recommend execution of an amendment to increase the value of the contract with EBA for UST removal services by \$60,000 for a total not-to-exceed contract amount of \$222,343.

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=>

³ <https://hayward.legistar.com/LegislationDetail.aspx?ID=6863970&GUID=E883144E-0D07-4ADC-9CC9-EAE883AF9393&Options=&Search=>

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; 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, plumber/pipefitters are meeting the goal at 41%, electricians are at 33%, laborers are at 26%, cement masons are at 13%, teamsters are at 1%, operating engineers are at 8%, carpenters and paving 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 FY25 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 project. Currently, there is sufficient funding in Construction Admin, Inspection and Testing to fund the requested amendment to the contract with EBA.

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 on November 21, 2024.

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Recommended by: Alex Ameri, Director of Public Works

Approved by:



Dustin Claussen, Interim City Manager