



DATE: September 15, 2020

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT: Adopt a Resolution Authorizing the City Manager to Increase the Construction Contract with Spencon Construction, Inc., for Administrative Change Order Authority in the Amount of \$354,733 for the FY19 Sidewalk Rehabilitation and Wheelchair Ramp Project, Project Nos. 05249 and 05213 for a Contract Not-to-Exceed Amount of \$677,363

RECOMMENDATION

That Council adopts a resolution (Attachment II) authorizing the City Manager to amend the construction contract with Spencon Construction, Inc., (Spencon) for administrative change order authority in the amount of \$354,733 for a total contract not-to-exceed amount of \$677,363.

SUMMARY

On November 13, 2018¹, Council approved a construction contract with Spencon in an amount not-to-exceed \$322,630 for the FY19 Sidewalk Rehabilitation and Wheelchair Ramp Project. An amendment to the existing construction contract with Spencon is now needed to cover the Administrative Change Orders, which were required to cover additional repairs identified and completed in Fairway Park Rancho Verde (District 5). Staff is requesting Council approval to amend the contract amount with Spencon to include the administrative change order amount of \$354,733, thereby raising the total contract not-to-exceed amount to \$677,363. No additional appropriation to the Project is required, as the Project currently has sufficient funds to cover all expenses

BACKGROUND

The Annual Sidewalk Rehabilitation & Wheelchair Ramp Project involves the removal and replacement of existing sidewalks that have been damaged or displaced, as well as the installation and upgrade of handicap access ramps.

¹ <https://hayward.legistar.com/LegislationDetail.aspx?ID=3725807&GUID=AC225E9E-E959-4084-990C-CA23DACAF403&Options=&Search=>

Spencon was awarded the construction contract for the FY19 program due to their submission of the lowest bid during the Fall 2018 Call for Bids. Spencon bid the project at \$322,630, which was 51% lower than the Engineer's Estimate of \$660,000.

The FY19 Sidewalk Rehabilitation and Wheel Chair Ramp Project was completed in July 2019 and involved sidewalk and wheel chair ramp installation and upgrades in four districts: Schafer Park Area (District 4), Tennyson South Road Area (District 6), Winton Grove Area (District 9), and Fairway Park Rancho Verde (District 5).

Approximately twenty-one wheelchair ramps were installed to meet ADA compliance standards, and two hundred locations comprising a total of 13,000 square feet, or 1.2% of the City's total sidewalk surface area, were repaired through this Project.

DISCUSSION

The sidewalk and ramp repairs in Fairway Park Rancho Verde (District 5) were not originally identified within the project scope when it went out to bid. However, Spencon's low bid for the Project provided the opportunity to support additional repairs in this District, despite not being part of the original plan. This addition of District 5 to the project was outlined in the original staff report for the award of contract that Council approved on November 13, 2018¹.

Though the need for this ACO budget was discussed in the November 2018 construction award staff report, inclusion of the required ACO budget was inadvertently omitted from the contract not-to-exceed amount in the original Resolution, Resolution 18-231. An amendment to the existing construction contract with Spencon is now needed to reflect the additional ACO allocation for the District 5 repairs and to close out the project.

Spencon delayed submitting the Final Statement of Quantities to City staff until more than six months after completion of the project. At this time, staff are now seeking Council's express authorization of the \$354,733 ACO from the original \$337,370 ACO amount, with the addition of \$17,363 to budget and a revised contract not-to-exceed amount of \$677,363. No additional appropriation to the Project is required, as the Project currently has sufficient funds to cover all expenses.

ECONOMIC IMPACT

Property owners with damaged sidewalk were given the option of completing the work themselves or having the repair undertaken by the City's contractor for a nominal fee of \$550 per property. Reimbursement from the property owners for the sidewalk rehabilitation was estimated to be approximately \$142,000, which will be deposited into the general fund for upcoming sidewalk projects.

FISCAL IMPACT

The adopted FY19 Capital Improvement Program (CIP) included \$1,102,000 for the Sidewalk Rehabilitation FY19 Project. Funding was provided from the Street System Improvement Fund

(Fund 450) in the amount of \$960,000, and an additional \$142,000 from the Transportation Development Act for the installation of new wheelchair ramps in the Gas Tax Fund (Fund 210). The estimated project costs are as follows:

Construction Contract	\$322,630
Administration Change Order	\$354,733
Trip Hazard Removal (completed under separate contract)	\$199,975
Design and Administration	\$47,679
Construction Survey, Inspection and Testing	<u>\$126,366</u>
Total	<u>\$1,051,383</u>
Council Authorization Budget	\$1,102,000
Remaining Funds	(\$50,617)

Total Project expenses to-date are under budget by \$50,617. These remaining funds will be rolled over from the FY19 Sidewalk Repair Project to the FY20 Sidewalk Repair Project.

STRATEGIC ROADMAP

This agenda item is not directly related to the Council’s Strategic Roadmap.

SUSTAINABILITY FEATURES

The City’s Annual Sidewalk Rehabilitation Project uses innovative processes to recycle concrete materials on-site and minimize the need for exporting material to a recycling center or concrete plant, thus mitigating greenhouse gas emissions. All excess material generated during construction and demolition is sent to designated facilities for recycling. Recycled Portland cement concrete is specified for use as an aggregate base for any new concrete curb, gutter, ramps, and sidewalk. Improvements made to sidewalks also encourage the public to walk more as opposed to driving their vehicles, resulting in additional mitigation of community-wide greenhouse gas emissions.

PUBLIC CONTACT

Owners of affected properties received certified letters regarding the program along with a response form to return to the City indicating if they will make the repairs themselves or pay the \$550 fee to have the City complete the work. On the response form, property owners were given two payment choices: a \$550 lump sum payment or an installment plan of twelve-monthly payments. The response form also includes replacement tree options.

NEXT STEPS

Construction Began	January 25, 2019
Construction Completed	July 16, 2019

If Council approves, the City Manager will execute the amendment to the Construction Contract with Spenco Construction, Inc., to a not-to-exceed amount of \$677,363.

Prepared by: Kathy Garcia, Deputy Director of Public Works

Recommended by: Alex Ameri, Director of Public Works

Approved by:

A handwritten signature in black ink, appearing to read 'K. McAdoo', written in a cursive style.

Kelly McAdoo, City Manager