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Title: Approve Contract Change Order No. 2 to the construction contract with Garney Construction for the Recycled Water Transmission Main, Southwest Quadrant, Project SW1B, to increase the total construction contract amount by \$1,293,710 and add 303 days in the contract time (Bid File 3413) (Council District 3 and Fresno County)

Sponsors: Department of Public Utilities

Indexes:

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Attachments: 1. 2019-07-25 Attachment 1 - Contract Change Order 2.pdf, 2. 2019-07-25 Attachment 2 - Contract Change Order 1.pdf

Date	Ver.	Action By	Action	Result
8/15/2019	1	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

August 15, 2019

FROM: MICHAEL CARBAJAL, Director
Department of Public Utilities

THROUGH: DEJAN PAVIC, PE, Public Utilities Manager
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SUBJECT

Approve Contract Change Order No. 2 to the construction contract with Garney Construction for the Recycled Water Transmission Main, Southwest Quadrant, Project SW1B, to increase the total construction contract amount by \$1,293,710 and add 303 days in the contract time (Bid File 3413) (Council District 3 and Fresno County)

RECOMMENDATION

Staff recommends that City Council approve the Contract Change Order (CCO) No. 2 to Garney Construction (Contractor) for the City of Fresno’s (City’s) Recycled Water Transmission Main, Southwest Quadrant, Project SW1B (Project). CCO No. 2 is the result of the mediated settlement

agreement, which was approved by Council on April 25, 2019, and is the final change order to close out the construction.

EXECUTIVE SUMMARY

The Department of Public Utilities, Utilities Planning & Engineering, requests the approval of CCO No. 2 for the Project. CCO No. 2 is the result of the mediated settlement agreement, which was approved by Council on April 25, 2019, and is the final change order to close out the construction contract for the Project. The construction work is complete and the Project is operational. This CCO No. 2 incorporates compensation for claims filed by the Contractor, a credit for unused mediator allowance, and adds a total of 303 days to the contract time. The approval of this \$1,293,710 CCO No. 2, cumulatively with the previously approved CCO No. 1, will increase the original contract amount by 12.1% to a new total construction contract value of \$10,471,056.99. The cost of CCO No. 2 will be covered by contingency allowance within the Project budget and is funded by the California State Water Resources Control Board (SWRCB) State Revolving Fund (SRF) Low Interest Loan for the construction of the Project.

BACKGROUND

On December 11, 2014, City Council authorized the submission of an application for Clean Water SRF Low Interest Loan for the financing of the construction of the Recycled Water Transmission Main, Southwest Quadrant. The loan was approved by the state on August 3, 2015. The construction contract is fully funded through this loan.

On November 19, 2015, City Council approved the construction contract with the Contractor for the Project. The Notice to Proceed (NTP) was issued on February 1, 2016, with a contract substantial completion date of October 13, 2016. Subsequent to NTP, one CCO has been executed to date, and with execution of CCO No. 2, the net total increase to the original contract amount is \$1,129,565.99.

CCO No. 2 is the result of the mediated settlement agreement, which was approved by Council on April 25, 2019, and is the final change order to close out the construction contract for the Project. The construction work is complete and the Project is operational. Implementation of this CCO No. 2 will increase the total construction cost amount by \$1,293,710 and add a total of 303 days to the contract time related to CCO No. 2 items. This CCO No. 2 (attached) incorporates a credit for unused mediator allowance and compensation claims filed by the Contractor, resulting in a new total construction contract value of \$10,471,056.99. The cost of CCO No. 2 will be covered by contingency allowance within the Project budget and is funded through the above noted SRF Low Interest Loan.

ENVIRONMENTAL FINDINGS

Approval of this CCO No. 2 for an existing construction contract is not a “project” for the purposes of the California Environmental Quality Act (CEQA), and does not involve commitment to any specific project which may result in a potentially significant physical impact on the environment as contemplated by CEQA Guidelines Section 15378.

LOCAL PREFERENCE

Local Preference was not implemented because this item is the approval of a change order that pertains to an existing construction contract.

FISCAL IMPACT

This Project has no impact to the General Fund. It is located in Council District 3 and Fresno County. Appropriations for CCO No. 2 are available in the Wastewater Division's approved Fiscal Year 2020 Capital Improvement Projects budget within the SRF Low Interest Loan Fund 40528.

Attachments:

Attachment 1 - Contract Change Order No. 2

Attachment 2 - Contract Change Order No. 1