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**Title:** Approve a contract change order in the amount of \$31,362.15, for change order work associated with Fresno Area Express Compressed Natural Gas Station Electrical Services Upgrade project (BF 3414)

**Sponsors:** Department of Transportation

**Indexes:**

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**Attachments:** 1. Contract Change Order No. 8.pdf

Date	Ver.	Action By	Action	Result
9/15/2016	1	City Council	approved	Pass

**REPORT TO THE CITY COUNCIL**

**September 15, 2016**

**FROM:** BRIAN MARSHALL, Director  
Department of Transportation

**BY:** JIM SCHAAD, Assistant Director  
Department of Transportation

**SUBJECT**

Approve a contract change order in the amount of \$31,362.15, for change order work associated with Fresno Area Express Compressed Natural Gas Station Electrical Services Upgrade project (BF 3414)

**RECOMMENDATION**

Staff recommends Council approve Contract Change Order No. 8 in the amount of \$31,362.15, to settle cost impacts associated with a specification revision to the emergency back-up generator included in Fresno Area Express (FAX) Compressed Natural Gas (CNG) Station Electrical Services Upgrade project.

**EXECUTIVE SUMMARY**

During the course of the FAX CNG Station Electrical Service Upgrade project, it was discovered the

plans and specifications for a new 1250 kW emergency back-up generator included a fuel tank that was determined to be in noncompliance with Fresno Fire Department (FFD) Policy 402.003. Staff worked with the FFD and Building Division on a solution that will allow for the installation of the generator unit with a revised integral fuel tank. The cost impacts associated with the change in fuel tank type, including project delays, labor and four (4) additional contract days, were negotiated in the amount of \$31,362.15.

## **BACKGROUND**

On December 3, 2015, Council approved the award of a construction contract to Big Valley Electric of Stockton, California to construct FAX CNG Electrical Services Upgrade project. The project provides additional electrical service capacity through the replacement of the main switchboard and associated components. The additional electrical capacity is needed to support the full build out of the CNG fueling station and provide capacity for future capital improvements. Due to the need for additional electrical capacity, the project includes the replacement of the existing emergency back-up generator with a new 1250kW diesel powered generator. The emergency back-up generator will supply emergency power to the FAX administration building, bus wash/fuel Island and CNG fueling station.

Fuel for the existing generator is shared and stored in the FAX underground diesel storage tanks. These tanks supply diesel fuel to the remaining diesel-powered FAX buses. The fuel for the new generator will be self-contained within the generator unit. As FAX is phasing out diesel powered buses for CNG powered buses, FAX will no longer have a need for underground diesel storage tanks in the near future.

A notice to proceed with construction was issued on May 23, 2016. The contractor has since replaced the main switchboard and removed the existing emergency back-up generator. However, work on the generator was halted due to a requirement that was not identified during plan check. It was discovered the generator was procured and constructed with a fuel tank not in compliance with FFD Policy 402.003. Staff worked with FFD and Building Division on a solution that will allow for the installation of generator unit with a revised integral fuel tank in compliance with FFD Policy 402.003.

Working diligently over the course of two months, staff was able to negotiate the additional cost impacts and scope with the contractor. The costs associated with the revised generator tank specification, including project delays, labor and four (4) additional contract days, were negotiated in the amount of \$31,362.15.

Should Council not approve Contract Change Order No. 8, staff will need to return to negotiations with the contractor and may be subject to further delay claims. Alternatively, staff may have to return to Council requesting authorization to cancel the construction contract with the contractor. Both scenarios will significantly delay the installation of an emergency back-up generator, the completion of the CNG Electrical Service Upgrade project and may subject the City to additional claims by the contractor.

FAX is currently without the ability to provide emergency back-up power to the CNG fueling station until the new generator is installed.

## **ENVIRONMENTAL FINDINGS**

Categorical exemptions for the electrical system upgrade project were adopted by Council on December 3, 2015. The approval contemplated replacement of the generator and installation with a revised integral fuel tank is not a substantial change to the project; no further environmental assessment is needed at this time.

### **LOCAL PREFERENCE**

Local preference is not applicable as this amendment does not include a bid or award of an agreement.

### **FISCAL IMPACT**

This change order shall be financed through State of California grants from the California Transit Security Grant Program (CTSGP) and the Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA) to enhance security, emergency preparedness and remodel the FAX facilities. No General Fund dollars will be used for this Contract Change Order.

Attachment:

Contract Change Order No. 8