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Title: Approve Contract Change Order No. 3 to the construction contract with Vido Artukovich & Son, Inc./VIDMAR, Inc., a JV, for the Phase 2 Regional Transmission Main Segments B&C Project (Bid File 3452), to decrease the total construction contract amount by \$154,421.66 and to add 141 days in the contract time, adjusting the contract amount to \$11,550,816.87. (Council Districts 4, 5, and 7 and Fresno County)

Sponsors: Department of Public Utilities

Indexes:

Code sections:

Attachments: 1. Attachment 1 - RTM B&C CCO 3.pdf, 2. Attachment 2 - RTM B&C CCO 1 and 2.pdf

Date	Ver.	Action By	Action	Result
1/16/2020	1	City Council	approved	

REPORT TO THE CITY COUNCIL

January 16, 2020

FROM: MICHAEL CARBAJAL, Director
Department of Public Utilities

THROUGH: DEJAN PAVIC, PE, Public Utilities Manager
Department of Public Utilities - Utilities Planning & Engineering

BY: MARTIN WENDELS, Project Manager
Department of Public Utilities - Utilities Planning & Engineering

SUBJECT

Approve Contract Change Order No. 3 to the construction contract with Vido Artukovich & Son, Inc./VIDMAR, Inc., a JV, for the Phase 2 Regional Transmission Main Segments B&C Project (Bid File 3452), to decrease the total construction contract amount by \$154,421.66 and to add 141 days in the contract time, adjusting the contract amount to \$11,550,816.87. (Council Districts 4, 5, and 7 and Fresno County)

RECOMMENDATION

Staff recommends that City Council approve the Contract Change Order (CCO) No. 3 for Vido Artukovich & Son, Inc./VIDMAR, Inc., a JV (Contractor), for the City of Fresno's (City's) Phase 2

Regional Transmission Main (RTM) Segments B&C Project (Project) to decrease the total construction contract amount by \$154,421.66 and to add 141 days in the contract time.

EXECUTIVE SUMMARY

The Department of Public Utilities, Utilities Planning & Engineering, requests the approval of CCO No. 3 for the Project. This CCO No. 3 incorporates a credit for unused supplemental allowance, a credit for unused mediator allowance, credits for decreases in various bid items, adds additional costs for various construction items specified in the attached CCO No. 3, and adds a total of 141 days (36.2%) to the contract time. The approval of CCO No. 3, cumulatively with previously approved CCO No. 1 and CCO No. 2 will increase the original contract time by a total of 215 days, and will increase the original contract amount by 0.53% to a new total construction contract value of \$11,550,816.87. The construction work on the Project is complete and the Project is operational. CCO No. 3 is the final change order to close out the construction contract for the Project. The cost of CCO No. 3 is 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 February 26, 2015, the City Council adopted a five-year water utility rate plan to finance the construction of a five-year water capital plan totaling approximately \$429 million. The five-year capital plan included the construction of the RTMs that convey water from the Southeast Surface Water Treatment Facility to the existing water distribution system through a network of approximately 13 miles of 20-inch to 66-inch diameter pipelines that have been constructed by three separate construction contracts that proceeded concurrently. The Project is the third and fourth of four RTM segments that were constructed and included the construction of approximately three and a half miles of 12-inch to 42-inch diameter pipelines.

On January 7, 2016, the City Council authorized the Director of Public Utilities to accept and execute a \$75,900,000 SRF Low-Interest Loan through the SWRCB for construction of the RTMs. The SRF Low Interest Loan has fully financed the construction of the RTMs.

The Contractor submitted the low bid price of \$11,490,484. On January 11, 2018, City Council awarded a contract to the Contractor for construction of the Project in the amount of \$11,490,484. Notice to Proceed (NTP) with construction was issued on February 16, 2018. The Project was substantially complete and put in operation in July 2019. Subsequent to NTP, CCOs No. 1 and No. 2 have been approved for necessary modifications to various added and deleted work items and appurtenances in meeting design intent and Project operational and safety requirements.

This CCO No. 3 incorporates a credit for unused supplemental allowance, a credit for unused mediator allowance, credits for decreases in various bid items, adds additional costs for various construction items specified in the attached CCO No. 3, and adds a total of 141 days (36.2%) to the contract time. The approval of CCO No. 3, cumulatively with previously approved CCO No. 1 and CCO No. 2 will increase the original contract time by a total of 215 days, and will increase the original contract amount by 0.53% to a new total construction contract value of \$11,550,816.87. The construction work on the Project is complete and the Project is operational. CCO No. 3 is the final change order to close out the construction contract for the Project. The cost of CCO No. 3 is within the Project budget and is funded by the SWRCB SRF Low Interest Loan for the construction of the

Project.

ENVIRONMENTAL FINDINGS

Approval of this CCO No. 3 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(b)(5).

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

There is no impact to the General Fund. This Project is located in Council Districts 4, 5, and 7 and Fresno County. The funding for this Project is part of the SRF Low Interest Loan Fund 40162 as part of the adoption of the Fiscal Year 2020 Budget. The cost of debt service for this SRF Low Interest Loan was incorporated into the water rate model used to create the five-year utility rate plan that was adopted by City Council on February 26, 2015.

Attachments:

Attachment 1 - Contract Change Order No. 3

Attachment 2 - Contract Change Order No. 1 and No. 2