



Legislation Text

File #: 22-1051, Version: 1

STRATEGIC PRIORITY: Transportation & Infrastructure
AGENDA DATE: May 25, 2022
COUNCIL DISTRICT(S): All
DEPARTMENT: Department of Public Works
EXECUTIVE: Dr. Robert Perez

SUBJECT

Authorize Change Order No. 2 to the construction services contract with Heritage Materials, LLC to authorize reducing General Fund capacity by \$5,649,587.95 and Street and Alley Improvement Fund by \$5,649,587.95 and increasing Certificate of Obligation funding by \$11,299,175.90 for a zero-dollar change order, keeping the contract amount at \$193,566,066.60 - Financing: 2022 Certificate of Obligation Fund

BACKGROUND

This action will authorize Change Order No. 2 to the construction services contract with Heritage Materials, LLC to authorize reducing General Fund capacity by \$5,649,587.95 and Street and Alley Improvement Fund by \$5,649,587.95 and increasing the Certificate of Obligation funding by \$11,299,175.90, for a zero-dollar change order, keeping the contract amount at \$193,566,066.60.

On September 25, 2019, City Council approved a construction contract for the 36- Month Maintenance and Street Improvements Project for FY 2020-2022, in an amount not to exceed \$154,865,242.50 (subject to annual appropriations) by Resolution No. 19- 1478.

On April 13, 2022, City Council authorized Change Order No. 1 to the construction services contract with Heritage Materials LLC, to provide the additional resurfacing treatments utilizing recently approved Certificate of Obligation Funds, in an amount not to exceed \$38,700,824.10, increasing the contract amount from \$154,865,242.50 to \$193,566,066.60, by Resolution No. 22-0544. The construction contract was originally bid based on previous paving program lane miles for a 3-year period. Annual appropriations over the 3-year contract period did not cover the general and street funds needed for the total contract amount.

This action for Change Order 2 will decrease the General Fund and Street and Alley Improvement Fund capacities and increase the Certificate of Obligation Funding for a net zero-dollar change order. This change order will complete the projects identified for Certificate of Obligation funding.

FISCAL INFORMATION

Fund	FY 2022	FY 2023	Future Years
General Fund	(\$11,299,175.90)	(\$0.00)	\$0.00
2022 Certificate of Obligation Fund	\$11,299,175.90	\$0.00	\$0.00
Total	\$0.00	\$0.00	\$0.00

Construction	\$154,865,242.50
Change Order No. 1	\$ 38,700,824.10
Change Order No. 2 (this action)	\$ _____ 0.00
Total Project Costs	\$193,566,066.60

Estimated Future Cost (Testing) \$ 1,161,000.00

M/WBE INFORMATION

In accordance with the City’s Business Inclusion and Development Policy adopted on September 23, 2020, by Resolution No. 20-1430, as amended, the M/WBE participation on this contract is as follows:

Contract Amount	Procurement Category	M/WBE Goal	M/WBE %	M/WBE \$
(\$22,299,175.00)	Construction	25.66%*	0.00%	\$0.00
<ul style="list-style-type: none"> • Change Order No. 2 - 33.53% Overall M/WBE goal. • This contract does not meet the M/WBE goal, this is a reduction • Heritage Materials, LLC - Non-Local; Workforce - 70.00% Local 				

OWNER

Heritage Materials, LLC

Frank Renda, Vice President

MAP

Attached