



CITY OF MENIFEE

SUBJECT: Contract Change Order with Ferreira Coastal Construction Company for the Holland Road/I-215 Overcrossing Underground Utilities Subproject

MEETING DATE: November 15, 2023

TO: Mayor and City Council

PREPARED BY: Carlos Geronimo, Principal Engineer

REVIEWED BY: Nick Fidler, Public Works Director

APPROVED BY: Rebekah Kramer, Acting City Manager

RECOMMENDED ACTION

1. Approve an increase to the contract contingency amount with Ferreira Coastal Construction Company to a total of \$201,734.56, or 28.05% of the original contract amount, and authorize the City Manager to approve Contract Change Order No. 7 in a not-to-exceed amount of \$21,984.10.

DISCUSSION

The Holland Road / I-215 Overcrossing, Capital Improvement Program Project No. 13-03 ("Project"), is the construction of a new four-lane bridge over Interstate-215 (I-215) from Haun Road to Hanover Lane to provide a connection between the City's east and west sides. Construction of the Project requires installation of mechanically stabilized earth retaining walls on the east side, improvements to drainage, irrigation, landscaping, and the installation of traffic signals on Holland Road at Haun Road and Hanover Lane.

Although staff makes every effort to carefully study and anticipate the extent of the scope of work required to achieve project goals, unforeseen needs are often encountered as a project of this magnitude progresses. Unknown site conditions, weather, and expanded environmental requirements brought about by newly identified site conditions may result in necessary increases to the scope of work and extensions to a project's timeline. Each of these factors can result in project delays and additional costs that were unknown at the time of original project proposals.

The Project has presented several unanticipated circumstances which have resulted in the need to process a final construction change order with Ferreira Coastal Construction Company (Ferreira) to close out the work performed related to the underground utilities for the Project.

On October 19, 2022, the City Council awarded a contract to Ferreira in the amount of \$719,174 to perform the construction services for the water, sewer, and recycled water utility work related to the Underground Utilities subproject. The contractor immediately began work after receiving the Notice to Proceed from the City. As mentioned earlier in this report, the initial excavations for the underground utilities exposed several unmarked and unknown utilities, as well as other unknown site conditions, which prevented the timely execution of the work. This resulted in the need for additional revisions and changes to Ferreira's original scope of work which is represented by a total of six prior contract change orders, as identified in Table No. 1 below:

Table No. 1 – Ferreira Change Order Summary

Change Order No.	Date Approved	Description of Services	Amount
1	March 3, 2023	Cancelled sewer line for SCE vault – material restocking fee	\$398.14
2	March 15, 2023	Additional potholing of three previously unidentified utilities	\$5,365.16
3	March 30, 2023	Change in piping material due to EMWD water line standards	\$1,377.80
4	July 19, 2023	Additional labor efforts required due to sewer line conflict with unmarked utilities, encountered groundwater, differing elevations, potholing utilities not identified on plans.	\$94,056.97
5	July 6, 2023	Tie-in of the new 12" water line to the existing 12" water line at Holland Road	\$52,000.00
6	Oct. 25, 2023	Additional T&M work and quantity adjustments	\$26,552.39
7	TBD	Additional T&M work related to relocation of existing service laterals	\$21,984.10
TOTAL			\$201,734.56

Contract Change Order (CCO) No. 7 was initiated due to additional work required to relocate and connect existing service laterals and appurtenances to the existing properties and address other unforeseen conditions. This CCO increases costs for some work line items and reduces costs for items that were not used in the contract. The overall impact of CCO No. 7 is an additional \$21,984.10 in costs and would bring the total amount of change orders for the Underground Utilities subproject to \$201,734.56. It is important to note that this is the final change order for this portion of the Project.

On July 19, 2023, City Council approved an increase in contingency for this project in the amount equal to 25% of the original construction costs. At that time staff felt that this was sufficient to cover all the remaining unknown conditions that would be encountered in the field. The Underground Utilities project was completed in September 2023. The City's Construction Manager firm for the project, Southstar, and Ferreira have met multiple times to true up the final Underground Utilities subproject costs and negotiate a final CCO for the Project. The resulting amount negotiated for CCO No. 7 exceeds the available contingency previously approved by City Council.

The total of \$201,734.56 for all seven CCOs exceeds the 25% contingency previously established by an additional 3.05%, bringing the total contingency required to 28.05% of the original contract price. Per City Municipal Code § 3.12.090, approval must be made by the City Council. Approval of this item would increase the contingency for the Underground Utilities portion of the Project from 25%, as approved on July 19, 2023, to 28.05%, for a contingency total of \$201,734.56. By increasing the contingency amount and authorizing the City Manager to approve change orders up to 28.05% of the original contract value, staff would proceed to make the final payment to Ferreira and close out the Underground Utilities portion of the Project.

STRATEGIC PLAN OBJECTIVE

Connectivity and Mobility

FISCAL IMPACT

There is existing funding in the Project account to cover the proposed increase to Ferreira's construction contract and payment of Contract Change Order No. 7, as outlined in Table No. 2 below. There are no additional fiscal impacts associated with the recommended actions.

Table No. 2 – Existing Project Funding

Fund	Account Number	Available Budget	CCO No. 7
Capital Projects	320-4555-58021	\$214,062.61	\$21,984.10

ATTACHMENTS

1. Project Location Map
2. CCO No. 7 - Ferreira