



## **CITY OF MENIFEE**

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SUBJECT: Contract Change Order with Copp Contracting, Inc. for the Menifee Road Resurfacing – Aldergate Drive to McCall Boulevard Project

MEETING DATE: June 4, 2025

TO: Mayor and City Council

PREPARED BY: Diego Guillen, Senior Engineer

REVIEWED BY: Nick Fidler, Public Works Director

APPROVED BY: Armando G. Villa, City Manager

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### **RECOMMENDED ACTION**

1. Approve and authorize the City Manager to execute Contract Change Order No. 2 with Copp Contracting, Inc. for construction services for Menifee Road Resurfacing – Aldergate Drive to McCall Boulevard Project, Capital Improvement Program (CIP) Project No. 24-21, in the amount of \$281,061.96, increasing the contract value to a total not-to-exceed amount of \$1,725,560.26.

### **DISCUSSION**

The Menifee Road Resurfacing – Aldergate Drive to McCall Boulevard Project, CIP Project No. 24-21 (“Project”), consisted of resurfacing the existing pavement from McCall Boulevard to 600 feet north of Aldergate Drive. The Project included the removal and replacement of striping over the entire project area, the addition of dedicated bike lanes where the existing pavement width allowed, and installation of signage.

On August 7, 2024, the City Council awarded a construction services contract (“Contract”) to Copp Contracting, Inc. (“Contractor”) in the amount of \$1,430,470.92. Construction work for the Project began in August 2024 and is now substantially completed. Although staff make every effort to carefully study and anticipate the extent of the scope of work required to achieve project goals, unforeseen needs and unknown site conditions discovered during construction activities are often encountered as a project progresses and can result in additional work outside of the original scope and contract amount. Such changes are addressed in the form of a Contract Change Order (CCO). Two change orders were required throughout the duration of the construction phase for

the Project. The first CCO was required to address overages in original bid quantities and was previously approved under City Manager authority.

The proposed CCO No. 2 was a result of an unanticipated utility conflict with Southern California Gas Company (SCGC). Despite staff providing ample and numerous notifications of the Project's scope during monthly utility coordination meetings to all utility companies, SCGC shut down construction activities on September 27, 2024 stating they had no previous knowledge of the Project. Along Menifee Road, there are two large existing SCGC main transmission lines that require special assessment and approval anytime construction equipment is being used along the roadway. Because as-builts were unavailable for the existing large transmission lines, SCGC required potholing to determine their exact horizontal and vertical location. Identified within the potholing report is existing pavement section information which SCGC utilized to determine whether the proposed Project improvements section would negatively impact the existing transmission lines. Construction activities were placed on hold to allow SCGC to conduct their special assessment. This resulted in timeline delays and additional costs associated with overhead and re-mobilization efforts.

Additional delays to the Project timeline were a result of unexpected lead time on materials. The Project proposed to use a material called Asphalt Rubber Aggregate Membrane (ARAM), which is the latest in pavement management practices due to its durability, longevity, and cost effectiveness. There is currently just one plant that manufactures ARAM, resulting in limited product availability. In anticipation of the limited availability, the ARAM materials were reserved well in advance for this project and prices locked in. However, due to the Project being placed on hold by SCGC staff were unable to retrieve the ARAM materials during the reserved window of availability. The next available window to receive the ARAM materials would have required one to two months of additional lead time which would result in significant delays and time related overhead costs to the Project, in addition to re-mobilization and additional material costs of the ARAM material. To minimize further impacts to the Project's schedule and budget, staff decided to utilize an Asphalt Concrete leveling course, which is readily available, to replace the ARAM materials and continue the project to stay within schedule. The Asphalt Concrete leveling course material is more expensive than the ARAM, resulting in additional Project costs.

The SCGC required 13 days to assess and evaluate the Project area and provided the City with approval to resume construction activities on October 17, 2024. Included in CCO No. 2 are costs associated with the SCGC time delay, resulting in additional overhead, re-mobilization of equipment, and increased material costs to replace the ARAM. Staff will pursue financial compensation from SCGC, in coordination with City Attorney and the Finance Department, for the costs associated with the delays included in CCO No. 2. The contract activity is summarized in Table 1 on the following page.

**TABLE 1 - CONTRACT ACTIVITY SUMMARY**

Contract Activity	Approval Date	Summary of Changes	Amount
<b>Original Contract</b>	August 7, 2024	Original construction services	\$1,430,470.92
<b>CCO No. 1</b>	March 20, 2025	Bid item overages: striping, slurry seal, pavement, manhole adjustment and removals	\$14,027.38
<b>CCO No. 2</b>	<i>Pending</i>	Timeline delay resulting from SCGC increasing costs for overhead, remobilization, & material changes.	\$281,061.96
<b>TOTAL</b>			<b>\$1,725,560.26</b>

Pursuant to Menifee Municipal Code §3.12.090, amendments or change orders to construction contracts in the amount greater than 10% of the original contract amount, or that exceed the City Manager’s signing authority, shall be approved by the City Council.

**STRATEGIC PLAN OBJECTIVE**

Connectivity and Mobility

**FISCAL IMPACT**

The fiscal impact of CCO No. 2 with the Contractor is \$281,061.96, increasing the Contract value to a total not-to-exceed amount of \$1,725,560.26. Funding for CCO No. 2 would not result in any additional appropriation to the Project as the funds are already available in the current fiscal year 2024/2025 budget within the Senate Bill (SB) 1 – Road Maintenance and Rehabilitation (RMRA) Fund (2201-PWD-CIPS-658011), as summarized in Table 2 below.

**TABLE 2 – PROJECT BUDGET**

Fund	Project Account String	Available Budget	Anticipated Cost
SB1 RMRA	CIP24-21.2201.CON.CAE	\$282,944.30	\$281,061.96
<b>TOTAL</b>		<b>\$282,944.30</b>	<b>\$281,061.96</b>

No additional budget appropriation action(s) is required.

**ATTACHMENTS**

1. Project Location Map
2. CCO No. 2
3. Original Contract
4. CCO No. 1