



Legislation Text

File #: 24-567, **Version:** 1

Report Prepared by: Vannesa Mendoza, EIT, Engineering Department

SUBJECT: Approval for Additional Work Reflected in the Final Change Order #3 of \$16,703.66 with Taylor Backhoe Service, Inc. dba TBS Contractors, for the Bel Air Sewer Line, Project Number CP220033

REPORT IN BRIEF

Considers approving an increase to the contingency in the amount of \$16,703.66 for Project No. CP220033 - Bel Air Sewer Relocation Project, and Approving Change Order #3 with Taylor Backhoe Service, Inc. dba, TBS Contractors. This increase will be the final increase project completion.

RECOMMENDATION

City Council - Adopt a motion:

- A. Approving Change Order 3 with Taylor Backhoe Service, Inc. dba, TBS Contractors, with an increase in contingency of \$16,703.66 for a total contract contingency amount of \$59,943.17, which is approximately 13.86% of the original contract amount; and,
- B. Authorizing the City Manager to execute the necessary documents; and,
- C. Authorizing the Finance Officer to make necessary budget adjustments.

ALTERNATIVES

- 1. Approve, as recommended by staff; or,
- 2. Approve, subject to conditions other than recommended by staff (identify specific findings and/or conditions amended to be addressed in the motion); or,
- 3. Deny; or,
- 4. Refer to staff for reconsideration of specific items (specific items to be addressed in the motion); or,
- 5. Continue to a future meeting (date and time to be specified in the motion).

AUTHORITY

Charter of the City of Merced, Article XI, Section 1109 - Contracts on Public Works, and Merced Municipal Code Chapter 3.04, Article IV - Public Works Contracts.

CITY COUNCIL PRIORITIES

As provided for in the 2023-24 Adopted Budget.

DISCUSSION

On November 6, 2023, Council awarded the Bel Air Sewer Relocation project in the amount of \$432,395.12 for a new sanitary sewer line on Bel Air Drive from E. Alexander Avenue to Aspen Street and along Aspen Street to E Alexander Avenue.

The approved contingency amount was \$43,239.51 which was paid to TBS Contractors through Change Order #1 and 2, leaving a contingency balance of \$7.21. Change Order items consisted of:

Change Order 1: \$41,639.73

1. Add Change from 6" DIP to 8" DIP at Bel Air and Aspen, and,
2. Add backfill trench due to PG&E gas line not being moved, and,
3. Add raising water services assistance, and,
4. Cut and pave water services and cut trench and slurry backfill,

Change Order 2: \$1,592.57

1. Re-Cutback Trenches

Change Order 3: The contingency increase for the Bel Air Sewer Line in the amount of \$16,703.66 is due to the following:

On January 17th, TBS Crews discovered a PG&E gas line that was supposed to be relocated by PG&E causing a conflict the sewer line. The City incurred additional costs for re-excavating, backfilling, and compacting the trench. The delay for the conflict also resulted in re-mobilization and demobilization. Additional working days were then added to the project for the additional work and delay.

PG&E crews were not able to return on site to relocate the missed gas line until April 22, 2024. PG&E informed the City on April 26, 2024, that the line was moved which allowed TBS to mobilize to site. TBS discovered that the gas line work was not finished by PG&E which resulted in additional delay costs.

PG&E was able to finish the relocation of the line on the week of April 29, 2024. TBS returned to finish the remaining items that were on standby and finished the project.

The City of Merced will be seeking reimbursement of \$24,217.14 from PG&E for the costs incurred due to the gas line conflict and right-of-way delays and will reimburse the Wastewater System Operations fund once payment is received from PG&E.

IMPACT ON CITY RESOURCES

There is sufficient funding within Fund 6000-Wastewater System Operations, Project No. CP220033-Bel Air Sewer Line to complete the project.

ATTACHMENTS

1. Original Construction Contract
2. Approved Contract Change Order #1
2. Approved Contract Change Order #2
3. Proposed Contract Change Order #3