

RESOLUTION NO. 2021-0364

Adopted by the Sacramento City Council

December 14, 2021

Change Order: 3rd Street Relief Sewer Project

BACKGROUND

- A. Steve P. Rados, Inc, was authorized to perform construction services for the 3rd Street Relief Sewer Project by City Agreement No. 2019-0674. Throughout the project, there have been a significant amount of differing site conditions and unforeseen underground conflicts.

The most recent change order, Change Order No. 35, is needed to provide compensation to the Contractor for all the labor, equipment, materials, markups, surcharges, and fees associated with the additional hot mix asphalt (HMA) paving, the handling and transporting of the contaminated soils from the trench excavation to a regulated facility, delays and inefficiencies due to Sacramento Municipal Utility District (SMUD) conflicts, and other various differing site conditions. This change order will be in the amount of \$1,517,287 and will increase the total contract amount to \$18,458,194.

Additional HMA paving was necessary throughout the course of the project because in several locations, the adjacent roadway had a poor pavement condition index, and suffered from several pre-existing cracks that only worsened due to the construction efforts. Therefore, the City directed the Contractor to extend the paving limits beyond what was originally identified in the contract documents. The cost of the additional HMA paving is \$296,100.

During construction, a conflict with a SMUD electrical duct bank, located between R Street and Q Street, led to many delays and inefficiencies in the installation of the new 42-inch Combined Sanitary Sewer Main. The Contractor remobilized several times along the alignment to minimize delays to the project's critical path, however additional backfill, trench paving, transporting of equipment and other inefficiencies associated with each mobilization led to additional project costs. The cost of the delays and inefficiencies caused by the SMUD conflict is \$245,861.

The Contractor began to encounter contaminated soils on the project site between the intersection of 3rd Street and I Street and the Amtrak Station parking lot. This work involved the Contractor separating the contaminated soil from the normal excavated soils and storing the 1,722 tons at their yard located on Front Street to be properly

tested before disposal. The soil was determined to be Class 1 Non-RCRA hazardous soil and was disposed of at a class 1 landfill facility. This item compensates the Contractor for the loading, handling, traffic control, and transporting of the contaminated soil from the job site to the regulated facility. The cost of this item is \$375,326 and has been verified by the Construction Management team and City.

Throughout construction, there have been various differing site conditions that have been encountered that were not identified in the contract documents. Each of these unforeseen issues were items that were not identified in the contract documents but have been addressed in the field as directed by the Engineer on a case-by-case basis to resolve the conflicts. The cost of the various differing site conditions is estimated to be \$600,000.

- B. With Change Order No. 35, the City's approved budget of \$21,265,141 will be exceeded. It is estimated that the project budget will require \$1,550,000 in additional funds to successfully complete the project, on time, and in line with City Standards, which will increase the total contract budget value to \$22,815,141.
- C. A budget augmentation of \$1,550,000 is required to provide sufficient funds to the 3rd Street Relief Sewer Project to accommodate for the anticipated additional work necessary to complete this project (X14010000, Wastewater Impact Fund 6002).

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The City Manager or the City Manager's designee is authorized to execute Change Order No. 35 with Steve P. Rados, Inc, for an amount of \$1,517,287 and the City Manager's administrative authority to execute change orders for City Agreement No. 2019-0674 is reset.
- Section 2. The City Manager or the City Manager's designee is authorized to transfer \$1,550,000 from the Sewer Development Fee Fund (Fund 6002) available fund balance to the Combined Sewer System (X14010000, Fund 6002).

Adopted by the City of Sacramento City Council on December 14, 2021, by the following vote:

Ayes: Members Ashby, Guerra, Harris, Jennings, Loloee, Schenirer, Valenzuela, Vang, and Mayor Steinberg

Noes: None

Abstain: None

Absent: None

Attest: **Mindy Cuppy** Digitally signed by Mindy Cuppy
Date: 2021.12.21 11:26:28
-08'00'

Mindy Cuppy, City Clerk

The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Sacramento City Council.