



City of Palo Alto

City Council Staff Report

(ID # 6631)

Report Type: Consent Calendar

Meeting Date: 4/4/2016

Summary Title: Change Order Number 9 for MP Nexlevel Contract No. C15156474

Title: Approval of Change Order Number 9 in the Amount of \$267,607 to Contract Number C15156474 With MP Nexlevel of California, Inc. for Additional Trenching and Installation Work on Utilities Underground District No. 47; And Approval of a Budget Amendment in the Electric Fund in Fiscal Year 2016, Offset by a Reduction of \$96,000 From the Electric Fund Distribution Reserve to Complete the Installation of Underground Substructures for Underground Utility District Number 47

From: City Manager

Lead Department: Utilities

Recommendation

Staff recommends that the City Council approve and authorize the City Manager or his designee to:

1. Execute Change Order Number 9 (Attachment A) in the amount of \$267,607 to Contract C15156474 with MP Nexlevel of California, Inc. for trenching and installation of utility substructures changed or missed during the design of capital improvement project EL-11010 - Underground District 47 – Middlefield, Homer, Webster and Addison (UUD 47).
2. Utilize savings in non-contingency contract funds of \$48,308, the remainder of the existing \$170,000 in contingency amounts not already allocated to Change Orders 1-8 (\$124,218 remaining) and the additional funding approved in this staff report to pay for Change Order Number 9.
3. Amend the Fiscal Year 2016 Budget Appropriation Ordinance for the Electric Fund by: (i) Increasing the Underground District 47 (EL-11010) project budget in the amount of \$96,000; and (ii) Decreasing the Electric Fund Rate Distribution Reserve in the amount of \$96,000.

Background

Underground Utility District No. 47 (“UUD 47”) involves converting the overhead utility lines to underground in the Area of Middlefield Road, Homer Avenue, Webster Street, and Addison Avenue. On March 2, 2015, the City Council approved and authorized the City Manager to execute an Electric Enterprise Fund construction contract with MP Nexlevel of California, Inc. (“MP Nexlevel”), in the amount of \$1,697,836, with a contingency amount of \$170,000, for trenching and installation of utility substructures and an Addendum to the Agreement for Joint Participation in the Installation of the Underground Facilities System Between the City of Palo Alto, AT&T, and Comcast Corporation of California IX, Inc. (Staff Report 5469).

Discussion

MP Nexlevel was the lowest responsible bidder for the project, whose scope of work consisted of excavation and placement of conduits, vaults, boxes and pads in the public right-of-way and in public utility easements for the future installation of City of Palo Alto Utilities (Utilities), AT&T, and Comcast cables and equipment.

During construction there were several change orders initiated by Utilities, Public Works Department, AT&T, and Comcast which increased the estimated cost by \$313,389 above the contract amount. These changes included:

1. Repairing deteriorated sidewalks and curbs at a few locations within the undergrounding district. This work was unanticipated and was not included in the original scope of work. Public Works considered this a public safety hazard and requested that Utilities allow MP Nexlevel to perform repairs.
2. Repairing damaged storm drain lines at the intersection of Homer Avenue and Webster Street. This section of the line is considered a critical public infrastructure. In anticipation of the “El Nino” winter storm and to avoid any further damages to the existing line, Public Works requested that Utilities allow MP Nexlevel to make repairs to the storm drain line since it was in the work area of the project.
3. Installing additional vaults and boxes for AT&T and grounding rods for Comcast which will be fully reimbursed by the telecommunication companies.

Items 1-3 above were covered by Change Orders 1-8. The City has already paid MP Nexlevel for Change Orders 1-8.

4. Correcting installed quantity numbers for certain materials. Some of the quantities for conduit installation for the City’s and Comcast’s systems exceeded the estimated bid quantities due to an oversight during development of the IFB and associated bid quantities. These items are primarily 2” & 4” primary, secondary, communication and Comcast communication conduits.

Item 4 is addressed by Change Order 4, which staff recommends Council approve.

The bid item quantities in the contract are estimates, based on the engineering design, whereas the contractor's invoices are based on actual work completed. The total amount billed for the project is \$1,649,528 out of a total contract amount of \$1,697,836. As a result, there is \$48,308 (contract amount minus billed amount) remaining in the contract.

Change orders associated with Items 1 through 4 above totaled \$313,389. The change orders exceed the approved contingency amount of \$170,000 by \$143,389. Staff recommends that Council approve the use the remaining balance of the contract amount of \$48,308 to offset a portion of the overage in the contingency and add \$96,000 to the contract contingency to fund the remaining balance of the change orders. In addition, a budget amendment in the amount of \$96,000, from Electric Fund Reserves, is needed to fund the change orders and increase the total CIP EL-11010 budget to \$2,294,525 for FY 2016.

The overage in the contingency account occurred due to a contract oversight. There was an error in the contract management spreadsheet. An internal process and system review has been conducted and new controls have been added to prevent this from recurring in the future.

Item	Description	Amount
A	Contract Amount (C15156474)	\$1,697,836
B	Total Amount Billed	\$1,649,528
C	Remaining amount in contract (A - B)	\$48,308
D	Contract Contingency	\$170,000
E	Items 1 through 3 above (Change Orders 1 to 8)	\$45,782
F	Item 4 above (Change Order 9)	\$267,607
G	Total of all Change Orders (E + F)	\$313,389
H	Remaining amount in Contingency (D - G)	- \$143,389
I	Remaining Authorized Amount (C-H)	- \$95,081
J	Contract and Budget Amendment Ordinance Request	\$96,000

Resource Impact

A budget amendment in the Electric Fund of \$96,000, offset with a reduction to the Electric Fund Distribution Reserve is recommended to fund the contract change orders for capital improvement project EL-11010 (Underground District 47 – Middlefield, Homer, Webster, and Addison).

Policy Implications

This project supports CPAU Key Strategy number 7 – Implement programs that improve the quality of the environment and Supporting Objective number 2 – Invest in utility infrastructure to deliver reliable service.

Timeline

Substructure installation work pertaining to Undergrounding District No. 47 (UUD47) has been completed. Adding money to the existing Contract C15156474 will not impact the timeline of the project.

Environmental Review

This project is categorically exempt from the California Environmental Quality Act under Section 15302(d) of the California Code of Regulations, Title 14, Chapter 3 (conversion of overhead electric utility facilities to underground).

Attachments:

- Attachment A: Underground 47 - Change Order #9 (PDF)



Contract Change Order

City of Palo Alto

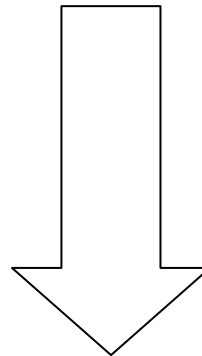
Department: Electric Engineering

Contract Number: C15156474

Appendix B:

Contract Change Order

See next page for Form and Instructions:



Contract Change Order Form

Project Title:	Underground District No. 47	Project Number: 40012979
Contract Number:	C15156474	Date: 12/21/2015
Contractor:	MP Nexlevel of California, Inc.	Change Order Number: 9

Description of Change Order	Additional trenching, conduit & box installation
Background Information:	Additional trenching, conduits and boxes were installed in order to comply with undergrounding requirements for the district.
Change Order Justification:	In order to convert the overhead utility lines to underground, additional trenching, conduit, and boxes were needed. This work was overlooked during the design/bid process, but is necessary for the conversion to proceed.
Description of Work to be Performed:	MP Nexlevel did additional trenching work and installed conduits and boxes for CPAU, AT&T and Comcast. These items were not included in the original contract.
Incorporates Field Order Number(s):	

Cost	Time
<p>This change order will:</p> <p><input type="checkbox"/> Not change cost</p> <p><input checked="" type="checkbox"/> Increase cost by <u>\$267,607.20</u></p> <p><input type="checkbox"/> Decrease cost by \$ _____</p>	<p>This change order will:</p> <p><input checked="" type="checkbox"/> Not change time</p> <p><input type="checkbox"/> Increase time by _____ days</p> <p><input type="checkbox"/> Decrease time by _____ days</p> <p>The date of completion as of this change order is _____.</p>
<p>Note G/L account number (s) here (see G/L #'s below):</p>	<p>Performing the work will not change the completion date of the project.</p> <p>Bid Item #1 \$22,517.00 -----CPA, AT&T, Comcast</p> <p>Bid Item #3 \$104,225.00-----CPA, AT&T, Comcast</p> <p>Bid Item #4 \$31,107.45-----CPA</p> <p>Bid Item #12 \$13,650.00-----CPA</p> <p>Bid Item #14 & 17 \$33,050.00-----CPA</p> <p>Bid Item #29, 30 & 31 \$45,131.25-----CPA</p> <p>Bid Item #36 & 37 \$17,926.50----- Comcast</p> <p>Total -----\$267,607.20</p>
<p>Basis for change in cost:</p> <p><input type="checkbox"/> Unit price(s)</p> <p><input checked="" type="checkbox"/> Lump sum</p> <p><input type="checkbox"/> Cost plus _____%</p> <p><input type="checkbox"/> Other: _____</p>	



Contract Change Order

City of Palo Alto

Department: Electric Engineering
 Contract Number: C15156474

Contract Change Order Form - continued

The undersigned Contractor approves this Change Order as to the changes, if any, in the contract price specified for each Line Item and as to the extension of time allowed, if any, for completion of the entire work on account of each Line Item, and agrees to furnish all labor and materials and perform all work necessary to complete any additional work specified therein, for the consideration stated therein. It is understood that the time and cost adjustments set forth in this Change Order include full compensation for any impacts or delays associated with the Line Items addressed in this Change Order.

Accepted for Contractor:	Accepted for City of Palo Alto:
DocuSigned by: By: Brad Chandler <small>AC4E702EBA8E427...</small> Title: Project Manager Date: 3/21/2016	DocuSigned by: By: TT DB <small>F2DCA19CCC8D4F9...</small> Title: Date: 3/21/2016