

CITY OF SANTA ROSA  
BOARD OF PUBLIC UTILITIES

TO: CHAIR AND BOARD MEMBERS  
FROM: SARA MATHEWS, ASSISTANT ENGINEER  
CAPITAL PROJECTS ENGINEERING

SUBJECT: ADDITIONAL CONTINGENCY – CONTRACT NO. C00327 TERRA  
LINDA AND BUENA VISTA SEWER AND WATER  
REPLACEMENT – PHASE I

AGENDA ACTION: MOTION

---

RECOMMENDATION

It is recommended by the Transportation and Public Works Department and the Water Department that the Board of Public Utilities, by motion, pursuant to Council Policy No. 100-07, approve an administrative change order and approve a 5% contingency increase of \$88,857.05 (5%) for Contract No. 00327 Terra Linda and Buena Vista Sewer and Water Replacement – Phase I, for a total contract amount of \$2,309,710.20.

---

EXECUTIVE SUMMARY

This motion will authorize an increase in contingency to cover the cost of contract work already performed, pending contract change order work, and to replenish the authorized contingency balance to complete Contract No. C00327.

BACKGROUND

The Terra Linda and Buena Vista Sewer and Water Replacement Phase I Project (Project) is part of a replacement and upgrade for neighborhood sewer and water distribution mains. During construction, the contractor encountered several unforeseen conditions that required multiple contract change orders (CCO). Additional contingency is requested to cover the cost of contract work already performed, pending contract change order work, and to replenish the authorized contingency balance to complete the remainder of Contract No. C00327.

The Project was advertised on February 17, 2022, and bids were opened on March 15, 2022. On April 7, 2022, the Board of Public Utilities (Board) awarded the construction contract to Team Ghilotti, Inc. with a total authorized contract amount of \$2,043,712.15.

ADDITIONAL CONTINGENCY – CONTRACT NO. C00327 TERRA LINDA AND  
BUENA VISTA SEWER AND WATER REPLACEMENT – PHASE I  
PAGE 2 OF 4

Construction began in May 2022 and is estimated to be completed in August 2023.

On October 20, 2022, the Board authorized an increase in the contract contingency for extra work associated with unforeseen existing pea gravel trench backfill material encountered during the installation of the new sewer and water main systems. Due to its free-flowing nature, containing/shoring exposed pea gravel is extremely challenging and often results in the development of failing existing trench walls within the excavation limits. Extra work associated with impacts caused by the exposure of existing pea gravel trench backfill was authorized via CCO1 and CCO2 in the amount of \$252,445.09.

Following authorization of CCO1 and CCO2, challenges at the Project persisted due to the exposure of existing pea gravel trench backfill during the installation of the sanitary sewer and water main systems, which resulted in extra work under CCO4 - CCO6. To date, extra work attributed to the exposure of existing pea gravel totals approximately \$341,007.39, which is 85% of total Project change order costs.

The contractor has also submitted a request for extra work associated with adjustments in the raising and lowering of specific sanitary sewer manholes and the relocation of an air release valve. This request, defined on Exhibit 1 as “Pending CCO7”, is valued at \$24,473.38 and is currently under City review.

Additionally, the contractor has submitted a separate request for extra work associated with unforeseen conditions while constructing two fire hydrant retaining walls. At one location an unknown/unmarked communication line was encountered; and, at another location, existing grades were discovered to be higher than depicted on the construction plans, both resulting in a redesign. The request, defined on Exhibit 1 as “Pending CCO8”, is valued at an amount of \$33,630.00 and work is suspended until additional contract funding is authorized.

Leading up to the Project's final paving phase, Green Valley estimated that a remaining balance of \$12,461.39 was available in authorized contract contingency. However, during paving operations multiple unforeseen conditions/issues were encountered including: i) at two locations, existing centerline grades were discovered to be lower than depicted on the construction plans; ii) constructing/paving against existing buckled curb and gutter was occurring; and iii) the extension of paving limits to capture affected areas caused by failing existing trench walls. As a result, an increase in contract asphalt concrete bid items occurred in the amount of \$83,411.61.

Accounting for “Pending CCO7 and CCO8” plus the cost overrun of asphalt concrete bid items, contract funding is deficient and in need of \$59,031.23 to complete the Project.

### PRIOR BOARD OF PUBLIC UTILITIES REVIEW

On April 7, 2022, the Board awarded Construction Contract No. C00327 in the amount of \$1,777,141.00 to Team Ghilotti, Inc., and approved a 15% contingency (\$266,571.15) for a total contract amount of \$2,043,712.15.

On May 5, 2022, the Board, by motion, approved a Project Work Order with Green Valley Consulting Engineers (Green Valley) to provide construction management and inspection services for the Project.

On October 20, 2022, the Board, by motion, approved an increased contingency amount of \$177,141.00 (10%) for a total contract amount of \$2,220,853.15 for Contract No. C00327, to cover costs of additional efforts associated with utility trench stabilization and utility conflict resolution encountered during construction.

### ANALYSIS

Since an increase in quantities of contract items occurred and contributed to exceeding the authorized contingency and total contract amount, staff is requesting another increase of contract contingency as an “Administrative Change Order” pursuant to City Council Policy No. 100-07. Under City Council Policy No. 100-07, the proposed additional work meets the definition of an “Administrative Change Order” (see “Definitions”, section G) because it is a change order to a Public Works Contract which does not change the scope of work or intent of the contract as awarded by the original award authority. Administrative change orders may include “extra work” required for the proper completion or construction of the whole work contemplated and “increases or decreases” in the quantity of a contract item or work. Pursuant to “Policies”, section D of Council Policy No. 100-07, an Administrative Change Order that exceeds the funds available within the authorized contract amount shall be returned to the original contract award authority for approval. As the Board was the original award authority for Construction Contract No. 00327, staff requests that the Board, by motion, approve an Administrative Change Order to complete the work required for the Project.

Staff is requesting the Board approve, by motion, an additional 5% contract contingency to cover the cost of additional contract asphalt work already performed, pending contract change order work, and to replenish the contingency balance should additional unforeseeable work be required to complete the Project.

### FISCAL IMPACT

Approval of this contingency has no additional impact on the budget. Funds for this Project have been previously appropriated with the Capital Improvement Program budget.

ENVIRONMENTAL IMPACT

This action is statutorily exempt from the California Environmental Quality Act (CEQA), pursuant to CEQA Guidelines Section 15282(k) in that the project consists of the installation of a new pipeline and the removal of an existing pipeline as outlined in Section 21080.21 of the Public Resource Code.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not Applicable.

NOTIFICATION

Not Applicable.

ATTACHMENTS

- Exhibit 1 – Contract Change Order Summary
- Exhibit 2 – Location Map
- Exhibit 3 – City Council Policy No. 100-07

PRESENTER

Sara Mathews, Assistant Engineer