



**PUBLIC WORKS DEPARTMENT**

CITY HALL

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**CITY COUNCIL STAFF REPORT**

Meeting: February 2, 2016

Subject

Bubb, Elm & McClellan Storm Drain/Sanitary Sewer Improvement Project – Increase Contingency Authorization

Recommended Action

Authorize an increase in the construction contingency amount by an additional \$32,000 with funds from the current appropriated project budget.

Discussion

On May 19, 2015, the City Council authorized the award of the Bubb, Elm & McClellan Storm Drain/Sanitary Sewer Improvement Project contract to Con-Quest Contractors Inc., in the amount of \$1,456,941. Council also approved a construction contingency of \$250,000, for a total authorized expenditure amount of \$1,706,941 for the contract. The scope of work for this project included both storm drain and sanitary sewer improvements. The cost sharing agreement between the City and Cupertino Sanitary District (CuSD) was authorized by Council on April 21, 2015. Per that agreement, the City and CuSD pay 100% of their respective costs.

Construction began in June 2015 and was completed in November 2015. Construction in areas impacting McClellan Road school traffic was completed in advance of the start of the 2015-16 school year.

Actual costs incurred on the project were as follows:

Agency	Bid Amount	Actual Completed Cost
City	\$995,955	\$1,342,707
CuSD	\$460,986	\$396,204
Contract Amount	<u>Authorized</u> \$1,456,941	\$1,456,941.00
Contingency (Change Orders)	\$ 250,000	\$ 281,970.48
Total	\$1,706,941	\$1,738,911.48

Council authorized contingency funding in the amount of \$250,000, which is approximately 17% of the construction contract amount, for unforeseen conditions.

During the course of construction, the contingency budget was exceeded by \$32,000, which is an additional 2% of the value the contract. Exceptional conditions encountered during construction included several existing underground utilities in conflict with new improvements and excavated soil that could not be used as intended as backfill due to large rock rubble content.

A significant portion of this project was on McClellan Road between Bubb Road and Highway 85. The construction work on McClellan Road was scheduled to be completed over the summer prior to the start of the school year to avoid conflicts with school traffic. A timely request of Council during the course of construction to increase the contingency authorization would have delayed work on McClellan Road past the start of the school year. This would have resulted in worsened traffic conditions and significant construction activity immediately adjacent to school children going to and from school.

The decision to adjust work in the field as required to accommodate existing conditions, and to proceed as scheduled without stopping work to seek Council authorization to increase the contingency budget, was in consideration of the following: 1) to avoid extending the work beyond the start of the 2015/16 school year and 2) to avoid the potential additional daily costs that may have been owed to the contractor by the City due to delay of the project.

Sustainability Impact

None

Fiscal Impact

No additional appropriation is needed to cover the increased contingency budget, as the current appropriation for the Bubb, Elm & McClellan Storm Drain Improvement Project budget is sufficient.

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Prepared by: Roger Lee, Assistant Director of Public Works

Reviewed by: Timm Borden, Director of Public Works

Approved for Submission by: David Brandt, City Manager

Attachments: None