



PUBLIC WORKS DEPARTMENT

CITY HALL

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CITY COUNCIL STAFF REPORT

December 4, 2018

Subject

Approval of Contract Change Order No. 1 for the McClellan Road Separated Bikeway Phase 1A Project (No. 2017-01.04)

Recommended Action

1. Approve Contract Change Order No. 1 for the McClellan Road Separated Bikeway Phase 1A Project in the amount of One Hundred Twenty Thousand Dollars (\$120,000); and
2. Authorize an increase in the construction contingency from \$182,000 to \$302,000. The additional \$120,000 in construction contingency will fund Contract Change Order No. 1, which will allow for the project start date to be postponed to May 2019.

Description

The 2016 Bicycle Transportation Plan identified the McClellan Road Bike Corridor as a high priority project. This project will construct a Class IV, separated bikeway along McClellan Road from Torre Avenue to Byrne Avenue. This new separated bikeway will be the first of its kind for Cupertino and will enhance safety by providing a physical barrier between vehicular traffic and bicyclists. The first segment to be constructed is Phase 1A and will extend from Stelling Road to Imperial Avenue.

Discussion

Originally envisioned as a single project that would install separated bikeways on both sides of the street from Torre Avenue to Byrne Avenue, it quickly became evident that acquiring right-of-way and obtaining Caltrans and Union Pacific Railroad approval would delay the project. As a result, the original large project was divided into phases with the goal of constructing a portion of the project in calendar year 2018. The segment between Stelling Road and Imperial Avenue is the first phase of the multi-phase project.

McClellan Road is a major thoroughfare for vehicles and is the primary route for students attending Monta Vista High School, Lincoln Elementary School and John F. Kennedy Middle School. This road is heavily used by both bicyclists and pedestrians heading to and from school which is the main reason this project is a high priority in the 2016 Bicycle Transportation Plan.

In order to construct this project, vehicle and bicycle traffic will be detoured into the center two-way turn lane and will share the road. Given the amount of traffic on McClellan Road, and the amount of bicycle traffic traveling on this section of McClellan Road, this detour and the sharing of the lane is considered challenging for both user groups. In October, City staff was approached by representatives of both the Cupertino Unified School District and the Fremont Union High School District who were very concerned with student safety during construction. After a detailed discussion regarding what to expect during construction they requested that we defer construction until the end of the school year.

The City evaluated the request and agree that the proposal has several benefits;

- reduced vehicle, bicycle and pedestrian traffic
- allows for an earlier start time
- allows for longer work hours
- there is less chance of a weather delay

If the project is constructed during the summer, when schools are not in session, traffic from students/parents heading to school will be significantly reduced. Currently the construction start time is 9:00 a.m. to avoid the morning drop-off period, but this can be changed to 7:00 a.m. during the summer, gaining two hours of productive time. The contract documents also require the contractor to remove traffic control and restore the lanes between 2:00 p.m. and 3:30 p.m. to avoid conflicts and delays during the afternoon school pick-up/departure period. This restriction is no longer necessary if school is not in session. There is also a reduced chance of a weather related delay if we construct over the summer versus during the winter.

Based on these benefits, City staff approached the contractor, Redgwick Construction, and asked them 1) are they willing to postpone the project until mid-May and 2) what, if any, cost implications are there associated with a postponement. Redgwick responded saying they would be agreeable to a postponement as long as the City paid all costs associated with postponing the contract. They mentioned a general prevailing wage increase for all labor units effective in June 2019 and a corresponding increase in workman's compensation insurance which is tied to the labor rates. Additional uncertainty has to do with increases in material prices, especially oil prices. The contractor estimated the total cost of postponement to be between 10-12% of the original contract amount of \$1,821,831. City staff was able to negotiate with the contractor and reduce the overall cost of change order No. 1 to \$120,000 (i.e. 6.5%), including a reduction in the contract duration by 7 calendar days, and a modification to the construction hours to 7:00 a.m. to 6:00 p.m. The increased work hours, shorter contract

duration and better weather helped reduce the overall cost but were offset by increases in labor costs, insurance, material costs, material disposal fees and equipment operation costs. Although with this change order the total contract cost exceeds the bid of the second lowest bidder on the project, because the project would be rebid in a competitive spring construction environment, it is likely that costs would escalate. Beyond the second lowest bidder, the remainder of the bidders were much higher. Retaining Redgwich on the project is advantageous in that it minimizes risks of obtaining much higher bids in the spring season.

Construction contingency is used to address new and unforeseen conditions that arise during construction. At the time of project award the City Council authorized a 10% construction contingency for this project or approximately \$182,000. As changes or modifications to the contract are identified contract change orders are used to modify the contract documents. Funding for those change orders is subtracted from the construction contingency. The cost for Contract Change Order No. 1 is \$120,000 which is 66% of the approved construction contingency. If the contingency level is not increased there will only be \$62,000 available to address issues that arise during construction. A typical contingency level for a project of this type and size is 10% of the contract amount. Increasing the construction contingency by the amount of change order no. 1 cover the cost of the change and will re-establish the full 10% contingency as we begin the project.

Sustainability Impact

None

CEQA

Council adopted a resolution on June 21, 2016 adopting the Mitigated Negative Declaration for the 2016 Cupertino Bicycle Transportation Plan and approved the Plan.

Fiscal Impact

The FY 2018-2019 CIP budget for the 2016 Bike Plan Implementation Project (budget unit 420-99-036) includes \$5,289,000 for the McClellan Road Bike Corridor project. The McClellan Road Separated Bikeway Phase 1A project is the first of six phases that comprise the Bike Corridor project. This budget is adequate to implement all phases of the project and fund this change order. No additional appropriation is needed.

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