



*City of Arts & Innovation*

# City Council Memorandum

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**TO:** HONORABLE MAYOR AND CITY COUNCIL      **DATE:** MARCH 2, 2021

**FROM:** PUBLIC WORKS DEPARTMENT      **WARD:** 2

**SUBJECT:** AUTHORIZE AN INCREASE IN CONTRACT CHANGE ORDER AUTHORITY WITH H&H GENERAL CONTRACTORS , INC., FOR BID 7696 – IOWA AVENUE IMPROVEMENTS FROM MARTIN LUTHER KING BOULEVARD TO UNIVERSITY AVENUE IN THE AMOUNT OF \$116,031, FOR A REVISED CONTRACT AMOUNT OF \$5,362,690, IN ACCORDANCE WITH PURCHASING RESOLUTION NO. 23256, SECTIONS 802(E) AND 1104

## **ISSUE:**

Authorize an increase in contract change order authority with H&H General Contractors, Inc., of Highland, California, for modifications to irrigation facilities encountered during the construction of Bid 7696 – Iowa Avenue Improvements from Martin Luther King Boulevard to University Avenue, in the amount of \$116,031, for a revised contract amount of \$5,362,690, in accordance with Purchasing Resolution No. 23256, Sections 802(e) and 1104.

## **RECOMMENDATION:**

That the City Council authorize an increase in contract change order authority with H&H General Contractors, Inc., of Highland, California, for modifications to irrigation facilities encountered during the construction of Bid 7696 – Iowa Avenue Improvements from Martin Luther King Boulevard to University Avenue, in the amount of \$116,031, for a revised contract amount of \$5,362,690, in accordance with Purchasing Resolution No. 23256, Section 802(e).

## **BACKGROUND:**

On April 21, 2020, City Council awarded Bid No. 7696 to H&H General Contractors, Inc., of Highland California (H&H) to complete the Iowa Avenue Improvements from Martin Luther King Boulevard to University Avenue (Project). A 10% change order authority was authorized in the amount of \$476,969 due to the age of the irrigation and drainage facilities being impacted by the Project that are owned by the University of California, Riverside (UCR). The age of the facilities outdates any UCR records and it was anticipated that the scope of the proposed modifications may expand during construction. Additionally, City Council approved a reimbursement agreement with the Western Riverside Council of Governments (WRCOG) in the amount of \$2,920,000 for Transportation Uniform Mitigation Fee (TUMF) funds and authorized a supplemental appropriation for the same amount to the Project account.

On August 28, 2019 a reimbursement agreement between the City and UCR was executed requiring the City to restore any impacted UCR facilities to their original condition at the City's sole expense prior to the completion of the Project.

On July 13, 2020, a Notice to Proceed was issued to H&H to commence the Project construction.

## **DISCUSSION:**

Iowa Avenue traverses the UCR agricultural research facilities between Martin Luther King Boulevard and Everton Place. The original construction scope included modifying the existing UCR irrigation and drainage systems as necessary to complete the Project's widening improvements. Although, the magnitude and limits of the work was undefined as UCR does not have an accurate record for the precise location of their facilities.

UCR's original understanding was that the existing 16" irrigation line feeding the easterly UCR parcel was located within the westerly parcel and crossed Iowa Avenue near the new California Air Resource Board (CARB) development. During construction, it was discovered that the line is actually located beneath Iowa Avenue and as a result of the Project, various conflicts with this existing facility were encountered.

The City attempted to modify the existing facility at various locations, but due to the short length of pipe and grouting methods, maintaining a water sealed line was unsuccessful. As a result, staff recommends reconstructing UCR's irrigation line. The City coordinated with UCR to relocate this facility onto UCR property along Iowa Avenue within the Project limits. The City will also install protective pipe lining through the existing line crossing Martin Luther King Boulevard to ensure the integrity of UCR's entire irrigation line within City right-of-way.

Per the City's reimbursement agreement with UCR, the City is required to modify this irrigation facility as necessary to ensure UCR's system is fully functional prior to the completion of the Project. The cost to relocate this irrigation facility is \$267,000. This cost is reasonable as H&H is currently completing work now with a full closure on Iowa Avenue between Martin Luther King Boulevard and Everton Place. If the City completed this additional work at a later date, the City would be required to compensate a new contractor for additional traffic control and additional mobilization costs. The City would also impact the newly constructed improvements completed with the current Project.

The change order recommendation is in accordance with Purchasing Resolution No. 23256, Section 802 (e), which states that Competitive Procurement through the Informal Procurement and Formal Procurement process shall not be required, when Construction Services can be Procured from a Contractor who offers the same or better price, terms and conditions as the Contractor previously offered as the Lowest Responsive Bidder under Competitive Procurement or negotiations conducted by the City or another public agency, provided that, in the opinion of the Manager, it is in the best interest of the City to do so. Additionally, Purchasing Resolution No. 23256, Section 1104 authorizes change orders modifying the scope of work where the modification is reasonably related to the original scope of work, but requires City Council approval when the cumulative value of change orders exceeds 10 percent of the original contract price or \$150,000.

Per conversations between staff and WRCOG, it was determined that the relocation of this facility

is an eligible expense under TUMF guidelines. As a result, WRCOG will program the remaining available \$265,000 of TUMF funds for the Project in April 2021. The Public Works Department anticipates returning to the City Council in September of 2021 to amend the WRCOG agreement for the additional TUMF funds.

The City will complete the Project including the additional proposed UCR modifications under the current construction contract with H&H with the understanding the City will be reimbursed \$265,000 upon execution of the amended TUMF agreement with WRCOG. The Project is anticipated to be completed in April 2021. The CARB facility is nearing completion and it is anticipated their employees will move into their new facility by Summer 2021.

The Purchasing Manager concurs that the recommendation is in compliance with Purchasing Resolution 23256.

### **FISCAL IMPACT:**

The estimated total contract amount to complete the Project is \$5,362,690 (Table 1). The original total contract award amount authorized by City Council on April 21, 2020 was \$5,246,659.

Table 1—Revised Approximate Construction Costs

<b>Task</b>	<b>Amount</b>
Original Construction Contract	\$4,769,690
Other Change Order and Line Item Overages	\$134,000
Relocation of UCR Irrigation Line outside Iowa Avenue	\$267,000
Irrigation Pipe Lining Across Martin Luther King Boulevard	\$72,000
Requested Change Order Amount to Complete the Project	\$120,000
Total	\$5,362,690

Sufficient funds are available in the Measure A Capital Outlay Fund's Major Streets Rehab account 9888030-440310 for the additional \$116,031 required to complete the project.

Prepared by: Kris Martinez, Public Works Director  
 Certified as to  
 availability of funds: Edward Enriquez, Chief Financial Officer/Treasurer  
 Approved by: Rafael Guzman, Assistant City Manager  
 Approved as to form: Kristi J. Smith, Interim City Attorney

Attachments: Project Location Map