



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Katy Allen

**SUBJECT: IMPROVEMENT DISTRICT
99-218SJ (HELLYER-PIERCY)
CONTRACT #3 – CCO No. 12**

DATE: 03-08-06

Approved

Deanna Santana

Date

3/13/06

Council District: 2

RECOMMENDATION

- a) Increase the contingency budget for the Improvement District 99-218SJ (Hellyer-Piercy) Contract #3 Project by \$39,806.20 from \$95,193.80 to \$135,000.00.
 - b) Approval of Contract Change Order No. 12 with Granite Construction, for the Improvement District 99-218SJ (Hellyer-Piercy) Contract #3 Project, increasing the amount by \$135,000, from \$294,806.20 to a total Change Order amount of \$429,806.20.
- CEQA : Resolution Nos. 69699& 64667.

BACKGROUND

On May 15, 2001, the City Council authorized the issuance of limited obligation improvement bonds for Hellyer-Piercy District, which is located in the Edenvale Redevelopment Project Area. The improvements to be constructed by the Hellyer-Piercy District included major roadway construction, related storm, sanitary, water, and utility improvements and numerous traffic mitigation improvements.

The improvements to be constructed by the Hellyer-Piercy District have been split up into two zones. Zone A includes the extension of Hellyer Avenue, improvements to Silver Creek Valley Road and Piercy Road, reclaimed water, sanitary, storm, and utility improvements, and numerous traffic mitigation improvements including the gateway improvements at Silicon Valley Road Bridge over Coyote Creek and interchanges at Route 101/Blossom Hill Road and Route 101/Hellyer Avenue. Zone B includes an extension from the Silver Creek Valley Road bridge and roadway construction to serve the parcel located between Route 101 and Coyote Creek.

As part of the Zone A improvements, the Hellyer-Piercy Contract #3 project was awarded on February 25, 2004. The project included traffic mitigation improvements at seven intersections

in the Edenvale campus industrial area. Construction activity for this project has recently concluded.

ANALYSIS

This change order provides for reimbursement to Granite Construction for costs incurred because of the delay for paving the Cottle Road/NB 85 on-ramp. During construction, staff determined that existing field conditions did not support the approved roadway pavement design and that a significant change would need to occur. This proposed change in design was submitted to Caltrans for review and approval. Because of delays in Caltrans approval of this design change, (approximately 80 working days), Granite was unable to commence on the ramp work at this location, and therefore incurred costs related to remobilization, administrative staff and associated overhead charges. Granite Construction originally proposed a delay cost of \$202,000, but staff negotiated the price down to \$135,000.

The original contract amount awarded by Council was \$2,595,964. The contract work is now completed and the actual contract amount expended is \$2,310,769.93, which represents a \$285,194.07 cost savings.

OUTCOME

Approval of this change order provides for reimbursement to Granite Construction for costs incurred because of the delay for paving the Cottle Road/NB 85 on-ramp. With the proposed Change Order, the total Change Order amount is \$429,806.20 which is \$39,806.20 in excess of the approved \$390,000 contingency amount. Staff requests that the Council approve the \$39,806.20 increase in contingency for the project.

PUBLIC OUTREACH

The Hellyer-Piercy Contract #3 Project was listed on the City's Internet bid line and advertised in the *San José Mercury News* and *San José Post Record*. Bid packages for all Department of Public Works construction projects are provided to various contractor organizations and builders exchanges.

COORDINATION

This contract change order and memo have been coordinated with the City Attorney's Office, City Manager's Budget Office, City Manager's CIP Action Team and the California Department of Transportation.

COST IMPLICATIONS

1. AMOUNT OF RECOMMENDATION: \$135,000

2. COST OF PROJECT:

Original Construction Contract	\$2,310,770
Project Delivery Cost	390,000
Previous Change Orders No. 1-11	294,806
Contract Change Order No. 12 (Time Delay for Final Completion)	<u>135,000</u>
TOTAL:	\$3,130,576

* This project has a savings of \$285,194 from the construction contract that are sufficient to cover the change order cost.

3. SOURCE OF FUNDING: Fund 450 – Services for Redevelopment Capital Fund
 Fund 465 – Construction Excise Tax Fund
 Fund 606 – ID #99-218 24Q Hellyer-Piercy

4. FISCAL IMPACT: This project is consistent with the Council-approved Budget Strategy Economic Recovery section in that it will spur construction spending in our local economy. This project will have no adverse impact on the General Fund operating budget.

BUDGET REFERENCE

Fund #	Appn #	Appn Name	RC #	Total Appn	Amt for Change Order	Adopted Budget Page	Last Budget Action (Date, Ord. No.)
606	4396	Special Assessments Districts-CBA*	116163	\$4,925,997	\$43,400	N/A	
465	5263	Hellyer-Piercy Improvement District 99-218SJ, Contract #3	141369	\$129,000	\$91,600		
Total Current Funding Available				\$5,017,597	\$135,000		

*This Special Assessment District fund has a current cash balance of \$4.9 million.

HONORABLE MAYOR AND CITY COUNCIL

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CEQA

Resolution Nos. 69699& 64667.



KATY ALLEN

Director, Public Works Department

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