



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Katy Allen  
James R. Helmer

**SUBJECT: TOWERS LANE IMPROVEMENT  
PROJECT**

**DATE:** 05-22-06

Approved

Date

5/26/06

**COUNCIL DISTRICTS:** 7  
**SNI AREA:** West Evergreen

## RECOMMENDATION

- a) Increase the contingency budget for the Towers Lane Improvement Project by \$23,500 from \$94,000 to \$117,500.
  - b) Approval of Contract Change Order No. 2 with DeSilva Gates Construction, LP, for the Towers Lane Improvement Project in the amount of \$24,524 increasing the total contract amount from \$718,828 to \$743,352.
- CEQA: Exempt, PP 02-03-046.

## OUTCOME

Contract Change Order (CCO) No. 2 will compensate the contractor for all the remaining costs for additional work completed as part of the project.

## BACKGROUND

Towers Lane was a private dirt road located between Route 101 and King Road north of Aborn Road (map attached). Properties fronting on Towers Lane have relied on this road for access for over 50 years. Property owners and residents requested that the City improve Towers Lane to street standards and accept donations of right-of-way to allow the street to become public.

On March 29, 2005, Council awarded a construction contract to DeSilva Gates Construction, LP, in the amount of \$626,191 and authorized a construction contingency of \$94,000. The project installed roadway improvements on approximately 850 lineal feet of frontage, which included curbs, gutter, sidewalks, driveway aprons, tree planting, asphalt concrete paving and street lighting. Construction began in July 2005, and the City accepted beneficial use of the street on October 31, 2005. A ribbon cutting was held on December 10, 2005.

Originally, staff explored expediting initial work to accommodate early PG&E relocations, however, it turned out that this was not cost effective. It was then decided to include this work as part of the contract with DeSilva Gates, which had already been awarded, through a change order payable on a time and material basis. Adding this work used a large portion of the previously approved \$94,000 contingency. Change Order No. 1 was issued in the amount of \$92,637 for the above change in scope including other additional work. The breakdown is as follows:

- Right of way clearing and fence relocation \$73,000
- Undergrounding the existing overhead lines for the street lights at the northeast quadrant of Towers Lane and Aborn Road, adjustment to grade of existing shallow water service laterals and enhancement of the parkstrip by providing mulch and weed barrier \$19,637

The requested contingency increase of \$23,500 will bring the contingency amount from \$94,000 to \$117,500.

### **ANALYSIS**

The proposed increase of contingency in the amount of \$23,500 shall provide enough compensation to execute Contract Change Order No. 2 in the amount of \$24,524 for all the remaining additional work that was done in the month of October of last year. Staff recommends approving this contingency increase and change order to compensate the contractor for this additional work on a time and material basis. This change order will be a settlement of all outstanding compensation issues with the contractor.

The work to be paid for in Change Order No. 2 includes

- ◆ Buried debris was removed and disposed.
- ◆ Drainage issues were resolved.
- ◆ An underground utility conflict with the PG&E gas line was resolved.
- ◆ Conform work on some private driveways was completed.
- ◆ The intersection at Towers Lane and Aborn Road was reconfigured by installing a temporary asphalt berm.
- ◆ The corner utility pole was barricaded because it was not relocated on time by the utility company.

### **ALTERNATIVES**

Not applicable

**PUBLIC OUTREACH**

Not applicable.

**COORDINATION**

This project and memorandum has been coordinated with the City Attorney's Office, the City Manager's Budget Office and the Planning, Building and Code Enforcement Department.

**COST IMPLICATIONS**

1. AMOUNT OF RECOMMENDATION: \$23,500

2. COST OF PROJECT:

Project Delivery	\$ 607,598
PG&E Relocation cost	69,500
Construction	626,191
Real Estate Cost and Escrow & Closing Fees	112,902
Original Contingency	94,000
Proposed Contingency Increase	<u>23,500</u>
<b>TOTAL PROJECT COSTS</b>	<b>\$1,533,691</b>
Expenditures To Date	(1,475,310)
<b>Remaining Project Costs</b>	<b>\$58,381</b>

3. SOURCE OF FUNDING: 001 – General Fund  
450 – Services for Redevelopment Capital Projects Fund

4. FISCAL IMPACT: This project is consistent with the Council-approved Budget Strategy Economic Recovery sections in that it will spur construction spending in our local economy. Upon completion, this project is expected to have minimal operating and maintenance costs in the General Fund in the amount of approximately \$900 annually, beginning in 2005-2006.

**BUDGET REFERENCE**

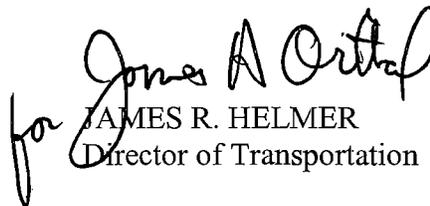
Fund #	Appn #	Appn. Name	Total Appn.	Amount for Contingency Increase	2005-2006 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
<b>Remaining Project Costs</b>			<b>\$58,381</b>			
<b>Current Funding Available</b>						
001	4243	Towers Lane Improvements	\$476,000	\$11,750	V-1086	10/18/05 Ord. No.27580
450	4845	Towers Lane Improvements	\$106,905	\$11,750	V-1086	10/18/05 Ord No. 27580
<b>Total Current Funding Available</b>			<b>\$582,905</b>	<b>\$23,500</b>		

**CEQA**

CEQA: Exempt, PP02-03-046.



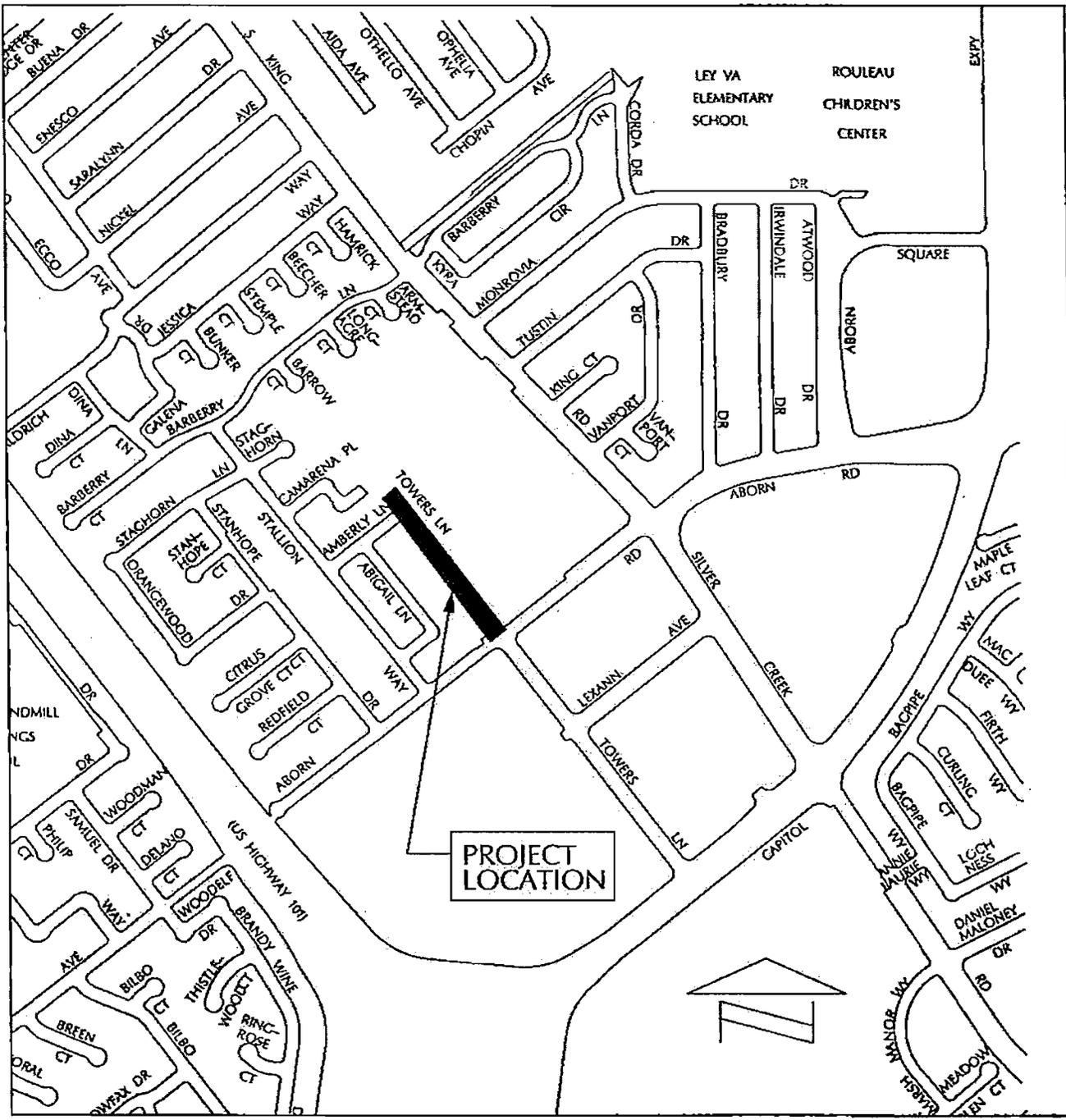
KATY ALLEN  
Director, Public Works Department



for JAMES R. HELMER  
Director of Transportation

For questions please contact TIMM BORDEN, PUBLIC WORKS DEPUTY DIRECTOR, at 408-535-8300.

PD:RP:ew  
(jt050406CM.TowersLane.doc/R&B)  
Attachment



# LOCATION MAP

NOT TO SCALE