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DEPARTMENT OF
PUBLIC WORKS

CITY OF SACRAMENTO
CALIFORNIA

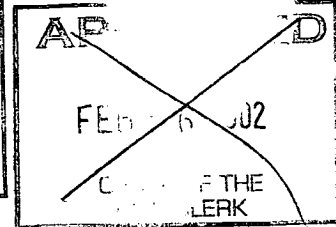
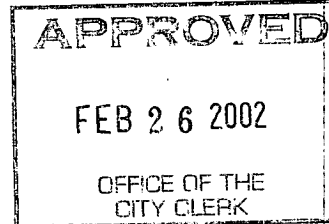
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PROJECT DELIVERY DIVISION

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February 12, 2002

City Council
Sacramento, California



Honorable Members In Session:

SUBJECT: APPROVAL OF CHANGE ORDER NO. 3 IN THE AMOUNT OF \$288,083 TO UNGER CONSTRUCTION COMPANY FOR MEADOWVIEW CITY SERVICE COMPLEX (PN: YB56)

LOCATION AND COUNCIL DISTRICT:

2812 Meadowview Road, Council District 8.

RECOMMENDATION:

This report recommends that the City Council:

- Approve Change Order No. 3 in the amount of \$288,083 with Unger Construction Company.

CONTACT PERSON: Yadi Kavakebi, Project Manager, 264-8432

FOR COUNCIL MEETING OF: February 26, 2002

SUMMARY:

Fast track construction contract for Meadowview City Service Complex was awarded to Unger Construction Company on May 25, 2000 in the amount of \$14,699,669. Change Order No. 3 will compensate the contractor for modifications and additional construction work added for additional upgrades during the fast track construction process. This change order is the project closeout final adjustment.

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COMMITTEE/COMMISSION ACTION:

None.

BACKGROUND INFORMATION:

On May 3, 1994, the City Council, by approving Resolution 94-264, resolved to: "Serve the public good by providing staff direction in long-term planning for the development of alternative solid waste facilities. The 28th Street Landfill will become 'Open Space/Park', be designated as Sutter's Landing Park, and all Solid Waste activities will be relocated no later than the Year 2001."

On February 27, 1996, Council approved Resolution 96-094 establishing a Capital Improvement Project (CIP) for the Corporation Master Plan.

On October 12, 1998, Council approved the purchase of the former CHP site and authorized a design agreement with Dreyfuss-Blackford Architects.

On February 16, 1999, Council approved Resolution 99-064 suspending competitive bidding for construction of Meadowview City Service Complex and authorizing the City Manager to solicit proposals for a fast track construction contract.

On May 25, 1999, the City Council awarded the Meadowview City Service Complex Services Fast Track Construction Contract to Unger Construction Company for Guaranteed Maximum Price (GMP) in the not to exceed amount of \$14,699,669.

The engineers estimated construction cost for Meadowview City Service Complex was \$17,664,716. The construction contract for Guaranteed Maximum Price (GMP), in the not to exceed amount of \$14,699,669, was negotiated with Unger Construction by :

1. Identifying cost saving value engineering items.
2. Reducing the initial length of construction period.
3. Modifying the project phasing by relocating the existing State's OES offices to the current site at no cost to the State until October 2001. Because of the State's inability to relocate, the City is collecting rent at above market value. To this date, the City has collected approximately \$249,000 in rent.
4. Utilizing Job Corp forces for demolition and other construction activities at no cost to the City.

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Purchase agreement of the property from the state of California stipulated that the City will clean the lead-contaminated soil and the clean-up cost would be deducted from the Purchase price of \$613,000. The clean-up work was bid under separate contract. Low bids, including additional construction work, was in excess of \$690,000. Due to excessive clean-up cost, impact on project schedule, and the inefficiencies/methods of clean-up plans that were presented to the staff, the City opted to clean up the project by removing the lead-contaminated soil from the site. On October 19, 1999, Change Order No. 1, in the amount of \$272,000, was issued to Unger Construction Company for removal of lead-contaminated soil from the project site. Clean-up cost (\$272,000), including additional City staff costs, were refunded to the City by the State.

On October 24, 2000, Council approved Change Order No. 2 in the amount of \$2,426,002. This change order compensated the contractor for the design revisions and modifications that in summary benefited the project in the following areas:

1. Significant cost savings in future expansion of Meadowview City Service Complex.
2. Upgrading and enhancing the Meadowview community, thus reducing the visual impact of the project at Meadowview road.
3. Improving the traffic and reducing the noise in Meadowview community.
4. Upgrading the buildings and utilities to meet or exceed the regulatory agencies for efficiencies in staff utilization, energy, and water consumption.

Change Order No. 3 compensates the contractor for field conditions and construction related modifications as listed in Exhibit A. This constitutes final adjustment of outstanding project issues.

FINANCIAL CONSIDERATIONS:

The current project budget is \$23,178,000. As of February 12, 2002 the unobligated balance is \$1,795,918, which is adequate to award the Change Order No. 3 to Unger Construction Company in the amount of \$288,083.

Final closeout should reflect project completion at \$1.3 million under budget.

ENVIRONMENTAL CONSIDERATIONS:

Council ratified the Negative Declaration and adopted the Mitigation Reporting Plan on October 12, 1998.

POLICY CONSIDERATIONS:

The action requested herein is consistent with Sacramento City Code, Title 3.

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ESBD CONSIDERATIONS:

The total ESBE awards, including change orders for Meadowview City Service Complex project, is in excess of 24.6% of the total GMP, which exceeds the City goal of 20%

Respectfully submitted,


Francesca Lee Halbakken
Project Delivery Manager

RECOMMENDATION APPROVED:


ROBERT P. THOMAS
City Manager
P/CIP/YB56/Council/YB56 Unger CO#3(2262002)

Approved:



Michael Kashwagi
Director of Public Works

EXHIBIT A
MEADOWVIEW CITY SERVICE COMPLEX
YB56
2/11/2002

Description	Amount
PCO # 16.0 • Add and revise light fixture (G) in lobby and reception desk.	2,743.00
PCO # 17.0 Reverse bond reduction cost for change order #2	12,971.00
PCO # 18.0 Add parking lot striping and signage	17,990.00
PCO # 19.0 Add landscaping at east side entry	14,991.00
PCO # 20.0 Inspection additional requirement	5,000.00
PCO # 21.0 Gas detection system	36,114.00
PCO # 22.0 Add platform for HVAC-1	35,221.00
PCO # 23.0 Miscellaneous scope revisions	18,000.00
PCO # 24.0 Discipline coordination issues	16,800.00
PCO # 25.0 Additional concrete work	78,000.00
PCO # 26.0 Telecommunications additions	4,053.00
PCO # 30.0 Fall protection at bldg. C	5,000.00
PCO # 31.0 Art in public places site, electrical and misc. requirement	34,000.00
PCO # 32.0 Add and revise additional ADA ramp.	4,200.00
PCO # 33.0 Modify paint booth to accept air and elec. outlet.	3,000.00
15 Items	\$288,083.00
Total for Change Order #	3

APPROVED
FEB 26 2002
OFFICE OF THE
CITY CLERK

RESOLUTION NO. 2002-101

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**RESOLUTION APPROVING CHANGE ORDER NO. 3 TO THE
UNGER CONSTRUCTION COMPANY (PN: YB56)**

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO THAT:

- 1. Change Order No. 3 to the construction contract with Unger Construction Company in the amount of \$288,083 is hereby ratified.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO: _____

DATE ADOPTED: _____