

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
5	5/12/14	Open	Action	04/28/14

Subject: Approving Contract Change Order No. 37 to the Contract for Construction of SSCP2 Civil, Track, Structures, Stations, Systems Contract

ISSUE

Whether or not to approve Contract Change Order No. 37 to the Contract for Construction of South Sacramento Corridor Phase 2 Civil, Track, Structures, Stations, and Systems with Balfour Beatty Rail Inc., Balfour Beatty Infrastructure Inc., Teichert Joint Venture (BBRI/BBII/Teichert JV)

RECOMMENDED ACTION

Adopt Resolution No. 14-05- ____, Approving Contract Change Order No. 37 to the Contract for Construction of South Sacramento Corridor Phase 2 Civil, Track, Structures, Stations, and Systems with Balfour Beatty Rail Inc., Balfour Beatty Infrastructure Inc., Teichert Joint Venture (BBRI/BBII/Teichert JV)

FISCAL IMPACT

Budgeted:	Yes	This FY:	\$	(149,831.15)
Budget Source:	Capital	Next FY:	\$	
Funding Source:	N/A Credit Change Order	Annualized:	\$	
Cost Cntr/GL Acct(s) or Capital Project #:	410.	Total Amount:	\$	(149,831.15)
Total Budget:	\$ 149,831.15 Budget Reduction			

DISCUSSION

On July 22, 2013, the Board awarded a contract for Construction of South Sacramento Corridor Phase 2 (SSCP2), Civil, Track, Structures, Stations and Systems (CTSSS Contract) to the Balfour Beatty Rail Inc., Balfour Beatty Infrastructure Inc., Teichert Joint Venture (BBRI/BBII/Teichert JV). BBRI/BBII/Teichert JV was given Notice to Proceed on August 12, 2013.

During the earthwork phases of construction, numerous issues developed pertaining to certain earthwork-related bid item quantities and the associated payment for those items. The estimated quantities in RT's Bid Pricing Form varied substantially from the actual earthwork quantities needed to construct the Project to the lines and grades in the Plans. In addition, the Contract allowed BBRI/BBII/Teichert JV the option of using an expensive lime-flyash treatment as an alternative to placing the upper 2 feet of subgrade with non-expansive fill.

Approved:

Presented:

Final 04/30/14

General Manager/CEO

Director, Construction Management

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After negotiations regarding the variations and RT’s desire to eliminate the expensive lime-flyash treatment, BBRI/BBII/Teichert JV and Staff have developed an approach to settle all claims arising out of the various earthwork quantity and payment issues.

CCO No. 37 adjusts certain bid item quantities and unit prices and establishes certain bid items as “final pay” items. A “final pay item” limits the Contractor to the quantity and unit price stated, even if the final quantity needed exceeds the quantity listed. The following is a comparison of the original estimated quantities and prices and the agreed-upon final maximum quantities and prices:

<u>Bid Item</u>	<u>Original Quantity</u>		<u>Original Unit Price</u>	<u>Revised “Final Pay” Quantity</u>		<u>Revised Unit Price</u>
Bid Item 45, “Excavation (Track)”	57,222	Cubic Yards	\$13.00	58,691	Cubic Yards	\$13.00
Bid Item 46, “Lime-Flyash Treatment”	41,166	Cubic Yards	\$16.00	Eliminated		Eliminated
Bid Item 47, “Imported Fill (General Fill)”	18,951	Cubic Yards	\$2.00	62,500	Cubic Yards	\$4.61
Bid Item 48 “Imported Borrow (Non-Expansive Fill)”	50,993	Cubic Yards	\$14.00	71,079	Cubic Yards	\$14.00
Bid Item 49 “Imported Borrow (Select Fill)”	53,688	Cubic Yards	\$2.00	28,404	Cubic Yards	\$2.00
Bid Item 50 “Over-Excavation”)	4,435	Cubic Yards	\$10.00	4,435	Cubic Yards	\$12.00

In addition to the quantity changes, the unit price for General Fill is increasing substantially. Staff has determined that this adjustment is fair and reasonable for two reasons: (1) by making this a Final Pay item, the risk that the quantity will be exceeded is transferred to the Contractor; and (2) the revised unit price remains lower than the market rate for General Fill.

Despite the unit price and quantity increases, CCO No. 37 will lower the overall Contract Price due to elimination of Contractor’s option to use Lime-Flyash treatment. The net monetary impact of CCO No. 37 is a credit amount of \$149,831.15. Moreover, the conversion of the Earthwork Bid Items to “Final Pay” items will insulate RT from any further cost increases associated with this work.

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In addition, CCO No. 37 establishes an agreement related to Bid Item #53 “Unsuitable Material”, by revising the Non-expansive Fill 200 sieve size to 10-55 percentage by weight passing sieve, which reduces unsuitable or unwanted material.

The total value of the CCOs executed to date (4/17/14) for the CTSSS Contract, excluding CCO No. 37, is \$59,632. If CCO No. 37 is approved, the total value of the Contract, will be \$90,199 less than initially approved by the Board, for a total contract value as of this date of \$89,732,483.65. Including this change, total allocated contingency for the CTSSS contract would be approximately \$4.3M and total unallocated contingency for the SSCP2 project would be approximately \$15.1M.

Staff recommends that the Board approve Contract Change Order No. 37 to eliminate the option for lime-flyash treatment, revise the quantities and unit prices for certain Earthwork Bid Items, establish those Bid Items as “Final Pay” items for which no additional consideration can be requested, revise the Non-Expansive Fill sieve size to reduce unsuitable material, and reduce the total consideration by \$149,831.15.

RESOLUTION NO. 14-05-_____

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

May 12, 2014

**APPROVING CONTRACT CHANGE ORDER NO. 37 TO THE CONTRACT FOR
CONSTRUCTION OF SOUTH SACRAMENTO CORRIDOR PHASE 2 CIVIL, TRACK,
STRUCTURES, STATIONS, AND SYSTEMS WITH BALFOUR BEATTY RAIL INC.,
BALFOUR BEATTY INFRASTRUCTURE INC., TEICHERT JOINT VENTURE
(BBRI/BBII/TEICHERT JV)**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE
SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, Contract Change Order No. 37 to the Contract for the Construction of South Sacramento Corridor Phase 2 (SSCP2) Civil, Track, Structures, Stations, and Systems between Sacramento Regional Transit District and Balfour Beatty Rail Inc., Balfour Beatty Infrastructure Inc., Teichert Joint Venture (therein "Contractor") whereby the option for lime-flyash treatment is eliminated, the quantities and unit prices for certain Earthwork Bid Items are revised, those Bid Items are established as "Final Pay" items for which no additional consideration can be requested, the Non-Expansive Fill sieve size is revised to reduce unsuitable material, and the total consideration is reduced by \$149,831.15, is hereby approved .

THAT, the General Manager/CEO is hereby authorized and directed to execute said Contract Change Order.

PHILLIP R. SERNA, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary