

STAFF REPORT

DATE: May 13, 2024
TO: Sacramento Regional Transit Board of Directors
FROM: Henry Ikwut-Ukwa, VP, Capital Programs
SUBJ: CONTRACT FOR RAIL MODERNIZATION 15-MINUTE SERVICE TO FOLSOM WITH ALDRIDGE ELECTRIC, INC.: (1) REPORT REGARDING AMENDMENT NO. 2 TO CONTRACT CHANGE ORDER NO. 9; AND (2) DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO ISSUE AMENDMENT NOS. 3 AND 4 TO CONTRACT CHANGE ORDER NO. 9

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Delegating authority to the General Manager/CEO to approve additional amendments to Contract Change Order (CCO) No. 9 to the Contract for Rail Modernization 15-Minute Service to Folsom with Aldridge Electric, Inc. (AEI) will allow AEI to install a modified light rail system infrastructure to avoid an underground signal and fiber duct bank.

FISCAL IMPACT

Approval of Amendment Nos. 3 and 4 to CCO No. 9, totaling \$333,258.00, will bring the total not-to-exceed amount for CCO No. 9 to \$497,386.00. CCO No. 9 is being funded with federal and state funds including Solutions for Congested Corridors Program (State) and Congestion Mitigation and Air Quality (Federal) funds.

DISCUSSION

The Rail Modernization 15-Minute Service to Folsom Project will increase the train service frequency to the City of Folsom from 30-minute service to 15-minute service by installing a 0.9 mile long second track or “passing track” between Parkshore Drive and Bidwell Street in Folsom. The project also includes adding a second passenger platform at the Glenn/Robert G. Holderness Station.

On March 14, 2022, the Board awarded a Contract to AEI for an amount not to exceed \$21,944,896.00. The Notice to Proceed (NTP) was issued on May 2, 2022.

Since issuing the NTP, several CCOs have been issued due to unanticipated issues, which are listed in the table below. Section 1.506 of SacRT’s Procurement Ordinance 2022-12-001 establishes the General Manager’s authority to issue Change Orders for Public Works Contracts and states that:

“For CONTRACTS originally awarded for a price of \$10,000,000 or more, the GENERAL MANAGER has authority to issue change orders if the sum of all such change orders for any single CONTRACT does not exceed the following percentages of the original CONTRACT amount: 10% of the first \$1,000,000, plus 8% of the next \$9,000,000, plus 6% of the balance.”

The Procurement Ordinance also states that “notwithstanding the foregoing, any single change order that exceeds \$150,000.00 requires BOARD approval.”

The original contract amount is \$21,944,896.00; therefore, the GM’s aggregate authority to issue Contract Change Orders is limited to \$1,536,693.76.00 (\$1,000,000 x 0.10) + (\$9,000,000 x 0.08) + (\$11,944,896 x 0.06) = **\$1,536,693.76.**

With the exception of CCO No. 5, all CCOs issued for the Contract have been below \$150,000.00 and have been issued under the General Manager’s authority. On April 10, 2023, the Board approved CCO No. 5, for \$327,628.00 (Resolution No. 2023-04-032).

The table below includes all CCOs issued to date for the Contract:

CCO#	CCO Name	CCO Amount	CCO Total	Contract Total
1	Revised Insurance Requirement	\$0	\$0	\$21,944,896.00
2	Revised Form 1 – Bid Pricing Form	\$0	\$0	\$21,944,896.00
3	Contract Time Extension	\$0	\$0	\$21,944,896.00
4	DWT Modification	\$34,695.00	\$34,695.00	\$21,979,591.00
5	SMUD Manhole Relocation	\$327,628.00	\$362,323.00	\$22,307,219.00
6	Glenn Station TWC Chassis and Buffer Loops	\$27,618.00	\$389,941.00	\$22,334,837.00
7	Time Extension of Completion Milestone C1	\$0	\$389,941.00	\$22,334,837.00
8	POSR Circuit & Traffic Relays	\$142,661.00	\$532,602.00	\$22,477,498.00
9	Fiber and Duct Bank Relocation	\$110,000.00	\$642,602.00	\$22,587,498.00
9.1	Fiber and Duct Bank Relocation - Additional Funding	\$25,000.00	\$667,602.00	\$22,612,498.00
9.2	Abandoned Duct Bank Removal	\$29,128.00	\$696,730.00	\$22,641,626.00

The Contract scope includes installation of overhead contact system (OCS) pole foundations and fence foundations at the Glenn/Robert G. Holderness Station between the existing and new tracks. During the preliminary excavation for the new platform at Glenn/Robert G. Holderness Station, AEI discovered that the location of the existing fiber/signal duct bank was incorrect on the As-Built Plans provided by SacRT. The actual location of the duct bank is in direct conflict with the locations for the new foundations, not only at the station but at both ends of the construction area. The actual location of the duct bank was only discoverable through excavation and would not have been evident to AEI through a pre-bid site inspection or other due diligence by AEI. To allow the foundations to be installed as required by the Contract, the fiber/signal duct bank had to be relocated or the foundations relocated, neither of which was included in the Contract scope.

To allow AEI to continue working while SacRT staff developed a final solution for the conflict, CCO No. 9 and CCO No. 9.1, totaling \$135,000.00, were issued as a first phase to pay AEI on a force account basis (time and materials) to install a new section of duct bank under the new station platform.

After installing the new duct bank, AEI was unable to continue with the critical pole and fence foundation work without removing the abandoned portion of the duct bank at the location of each foundation and installing corrugated metal pipe (CMP) for protection of the foundation holes during placement of concrete. The need for this additional work, for a lump-sum amount of \$29,128.00, arose between the April and May Board meetings.

Under Procurement Ordinance Section 1.506(F)(1):

[T]he GENERAL MANAGER has authority to issue change orders in such sums as may reasonably be necessary if the GENERAL MANAGER determines, in writing, that a change order is required to: 1. Prevent interruption of the work which would result in a substantial increase in cost to SACRT....

When such an exception is taken, “the GENERAL MANAGER must report such action to the BOARD as soon as reasonably possible but in no event more than 30 days after the action is taken.”

To avoid an interruption to the ongoing work, the General Manager issued CCO No. 9.2 to remove the abandoned portion of the duct bank through Glenn/Robert G. Holderness Station at the location of each foundation. Adding CCO No. 9.2 brought the total for CCO No. 9 to \$164,128.00, which exceeded the General Manager’s typical authority of \$150,000.00 but fell within the exception in 1.506(F)(1). As required by the Procurement Ordinance, the General Manager is reporting back on this action.

Two additional amendments to CCO No. 9 will need to be issued to completely resolve the duct bank conflict: 1) CCO No. 9.3 for connection of the new portion of duct bank installed under CCO No. 9.1 to the existing duct bank and reinstallation of the signal and fiber cables in the original duct bank; and 2) CCO No. 9.4 to relocate and add OCS poles and foundations at both ends of the work area to avoid the remaining portion of the

existing duct bank. Staff continues to work with AEI on the scope and cost for CCO No. 9.3, but staff estimates the cost to be no more than \$200,000.00. The cost for CCO No. 9.4 is estimated at no more than \$133,258.00. To avoid further delays in the work, these additional amendments will need to be issued prior to the next scheduled Board meeting on June 10, 2024. Therefore, Staff is requesting that the Board delegate authority to the General Manager/CEO to issue the additional amendments upon completion of negotiations to allow for progression of the work without interruption.

The Table below lists the different phases and components associated with CCO No. 9:

CCO#	CCO Name	CCO/ Amendment Amount	CCO Not-to- Exceed Amount
9	Fiber and Duct Bank Relocation	\$110,000.00	\$110,000.00
9.1	Fiber and Duct Bank Relocation - Additional Funding	\$25,000.00	\$135,000.00
9.2	Abandoned Duct Bank Removal	\$29,128.00	\$164,128.00
9.3	New Duct Bank Connection to Existing Duct Bank	Estimated \$200,000.00	\$364,128.00
9.4	OCS Pole Relocation and Addition	\$133,258.00	\$497,386.00

Addition of the CCO amendments 9.3 and 9.4 will increase the total contract consideration from \$22,641,626.00 to approximately \$22,974,884.00 (depending on the final negotiated amounts for Amendment No. 3 and Amendment No. 4 to CCO No. 9).

RESOLUTION NO. 2024-05-44

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

May 13, 2024

**DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO
ISSUE AMENDMENT NOS. 3 AND 4 TO CONTRACT CHANGE ORDER
NO. 9 TO THE CONTRACT FOR RAIL MODERNIZATION 15-MINUTE
SERVICE TO FOLSOM WITH ALDRIDGE ELECTRIC, INC.**

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

THAT, authority is hereby delegated to the General Manager/CEO to negotiate and execute Amendment Nos. 3 and 4 to Contract Change Order No. 9 to the Contract for Rail Modernization 15-Minute Service to Folsom (“Contract”) by and between the Sacramento Regional Transit District (therein “SacRT”) and Aldridge Electric, Inc. (therein “Contractor”) to finally resolve conflicts regarding the unforeseen existing duct bank not reflected on SacRT’s As-Built Plans and the foundations for fencing and overhead contact system poles required to be installed under the Contract for an aggregate amount of \$333,258.00 for both amendments.

THAT, execution of the CCO amendments specifically authorized under this Resolution will not be counted toward the General Manager/CEO’s aggregate Contract Change Order authority for the Contract under Section 1.506 of the Procurement Ordinance.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary