

## STAFF REPORT

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**DATE:** April 28, 2025  
**TO:** Sacramento Regional Transit Board of Directors  
**FROM:** Henry Ikwut-Ukwa, VP, Capital Programs  
**SUBJ:** REPORT REGARDING AMENDMENT NO. 1 TO CONTRACT CHANGE ORDER NO. 1 AND CONTRACT CHANGE ORDER NO. 7 TO THE CONTRACT FOR DOS RIOS LIGHT RAIL STATION WITH DMZ BUILDERS

### RECOMMENDATION

No Recommendation - For Information Only.

### RESULT OF RECOMMENDED ACTION

None. Information Only

### FISCAL IMPACT

CCO Nos. 1.1 and CCO No. 7 were fully funded with state and federal funds.

### DISCUSSION

The City of Sacramento (City), in partnership with the Sacramento Housing and Redevelopment Agency (SHRA) and Sacramento Regional Transit District (SacRT), proposes implementation of the Twin Rivers Transit-Oriented Development and Light Rail Station Project (Project). The Project will develop a mixed-income, mixed-use community comprising of 218 replacement public housing units, 281 new market-rate rental and Low-Income Housing Tax Credit (LIHTC) units, a realigned internal street network, green open space, and other community amenities on two noncontiguous properties in close proximity to one another, totaling approximately 24.2 acres that currently includes public housing and undeveloped land. The Project includes construction and operation of the proposed SacRT Dos Rios Light Rail Station on the existing SacRT light rail Blue Line and adjacent to North 12th Street. The new Dos Rios Light Rail Station will include track realignment, signaling modifications, system upgrades, and construction of the new station.

On June 10, 2024, the Board conditionally awarded a Contract to DMZ Builders for an amount not to exceed \$27,417,581. The Notice to Proceed (NTP) was issued on August 6, 2024.

Since NTP was issued, the General Manager/CEO or his designee has issued several CCOs due to unanticipated issues. 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."

However, despite this limitation, under Procurement Ordinance Section 1.506(F)(1):

"The 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."

The Contract scope includes the removal and disposal of hazardous material that are tested and classified as Type Z-1 (Aerially Deposited Lead) material. However, the quantity of Type Z-1 (Aerially Deposited Lead) soil material was significantly underestimated in the Bid Documents.

The Bid Documents assumed that approximately 4,015 cubic yards of material would be excavated for roadway and track work and that, of that total, 700 yards would require special handling.

To date, an additional 1,211 cubic yards above and beyond the initial estimated quantity have been excavated, stockpiled, and tested to be Type Z-1 (Aerially Deposited Lead) requiring special handling. It is anticipated that additional soil will be excavated that requires special handling.

It took several months to characterize the excavated soil, which has been stored in stockpiles on the Sacramento Housing and Redevelopment Agency property. To make room for additional soil and avoid an interruption to the ongoing work, on April 2, 2025, the General Manager issued an amendment to CCO No. 1 for removal and disposal of hazardous material tested as Type Z-1 (Aerially Deposited Lead) material. The amendment brought the total for CCO No. 1 to \$157,250.00, which exceeded the General Manager's typical authority of \$150,000.00. required by the Procurement Ordinance, the General Manager is reporting back on this action.

CCO#	CCO Name	CCO/ Amendment Amount	CCO Not-to- Exceed Amount
1	Over Excavation N12 Track Embankment 101+00 to 103+50	\$65,120.00	\$65,120.00
1.1	Type Z-1 Additional Hazardous Material Disposal	\$92,130.00	\$157,250.00

Unfortunately, even with the removal of a portion of the stockpiled material, it became necessary to authorize additional stockpile removal to allow work to proceed. CCO No. 7 was issued April 25, 2025 to dispose of additional hazardous material tested and classified as Type Z-1 (Aerially Deposited Lead) material for track and roadway excavation billed up to February 2025.

