




November 8, 2018

To: Transit Committee

From: Darrell E. Johnson, Chief Executive Officer 

Subject: Contract Change Order for Demolition and Clearance Services for the OC Streetcar Project in the City of Santa Ana

Overview

On July 23, 2018, the Orange County Transportation Authority Board of Directors approved Agreement No. C-8-1622 with Sandwood Enterprises, Inc., for right-of-way demolition and clearance services for the OC Streetcar project. A contract change order is required for additional demolition and clearance services related to the removal of hazardous materials from residential structures.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Contract Change Order No. 1 to Agreement No. C-8-1622 between the Orange County Transportation Authority and Sandwood Enterprises, Inc., in the amount of \$77,654, and to add 60 calendar days to the contract duration for additional asbestos and abatement activity for the OC Streetcar project in the City of Santa Ana.

Discussion

The OC Streetcar project (Project) design identified the need for a full fee right-of-way acquisition of a residential property in the City of Santa Ana (City) for the development of the Project's maintenance and storage facility (MSF).

The property needs to be cleared as part of the Project. Prior to the proposed construction of the Project, contractor services are required to remove property improvements from the property, which include five vacant single-story detached housing apartments, hazardous materials, and other impediments. The former housing occupants were all relocated off the property in accordance with federal and state laws and regulations, Federal Transit Administration

guidelines, as well as the Orange County Transportation Authority's (OCTA) Real Property Department policies and procedures.

The Board of Directors (Board)-approved agreement amount with OCTA's primary demolition contractor Sandwood Enterprises, Inc., (Sandwood) included an allowance for asbestos removal and abatement activity estimated at \$10,000. This estimated value was consistent with past experience with residential asbestos removal and abatement work performed by OCTA. The extent of the work required to demolish and remove the residential structures was not fully known at the time the engineering estimate was provided due to a lack of access to the property. Once legal access to the property was permitted a hazardous materials field study was performed by OCTA's environmental consultant, Ninyo & Moore Geotechnical and Environmental Sciences Consultants, which resulted in a surprisingly significant increase to the scope of work for asbestos removal and abatement. The additional scope of work includes costs for the removal of interior and exterior walls, ceilings, roof materials, and abandoned furniture and other amenities found to be contaminated with asbestos. The delayed access to the property and the time needed to perform the field study also requires an additional 60 days to be added to the contract duration.

Based on the scope of work for asbestos removal and abatement activity, Sandwood received two quotes to perform the work. Staff is recommending approval of Contract Change Order (CCO) No. 1 to Agreement No. C-8-1622 to perform the additional scope of work based on the most economical quote provided by ACT, Inc., a company specializing in demolition and abatement services. Based on the additional scope of work and review of the two quotes, staff has determined the contractor's proposed price of \$87,654 for the asbestos removal and abatement activity is fair and reasonable.

As of October 2018, the asbestos and abatement activities have commenced in an effort to clear the property in time to maintain the Project's delivery schedule. The subject property needs to be cleared immediately for the construction of the Project's MSF.

Procurement Approach

The procurement was handled in accordance with OCTA's Board-approved procedures for public works projects. These procedures, which conform to both federal and state requirements, require that contracts are awarded to the lowest responsive, responsible bidder after a sealed bidding process. On July 23, 2018, the Board authorized Agreement No. C-8-1622 to Sandwood, in the amount of \$89,000, for demolition and clearance services related to the Project.

The proposed CCO for the asbestos removal and abatement activity is estimated to be revised from the \$10,000 allowance in the original procurement

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to \$87,654.00. This will increase the CCO amount by \$77,654, and the maximum cumulative obligation of Agreement No. C-8-1622 to \$166,654. The contract term will also require extension from October 31, 2018 to December 31, 2018, to complete the work.

Fiscal Impact

The funding for the Project is included in OCTA's Fiscal Year 2018-19 Budget, Capital Programs Division, accounts 0051-9017-TS010-Z41 and 0051-9017-TS010-999, and is funded with local transportation and New Starts Program funds.

Summary

Staff recommends Board of Directors' authorization for the Chief Executive Officer to negotiate and execute Contract Change Order No. 1 to Agreement No. C-8-1622 between the Orange County Transportation Authority and Sandwood Enterprises, Inc., in the amount of \$77,654, and to add 60 calendar days to the contract duration for additional asbestos removal and abatement activity for the OC Streetcar project in the City of Santa Ana.

Attachments

- A. Project Location Map (2016-2020 W. 5th St, Santa Ana)
- B. Sandwood Enterprises, Inc., Agreement No. C-8-1622 Contract Change Order Log

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