



April 11, 2019

To: Transit Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Contract Change Order for Demolition, Removal, and Disposal at the Maintenance and Storage Facility Property for the OC Streetcar Project

Overview

On September 24, 2018, the Orange County Transportation Authority Board of Directors authorized Agreement No. C-7-1904 with Walsh Construction Company II, LLC, for construction of the OC Streetcar project. A contract change order is required for the demolition, removal, and disposal of materials at the maintenance and storage facility property.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Contract Change Order No. 1.1 to Agreement No. C-7-1904 with Walsh Construction Company II, LLC, in the amount of \$113,884, for the demolition and removal of materials at the maintenance and storage facility property for the OC Streetcar project.

Discussion

On September 24, 2018, the Orange County Transportation Authority (OCTA) awarded the contract for construction of the OC Streetcar project (Project) to Walsh Construction Company II, LLC (Walsh). The notice to proceed (NTP) with construction was issued to Walsh on March 4, 2019. Early critical path construction activities include beginning work on the maintenance and storage facility (MSF).

The MSF, which is located on Fifth Street near Raitt Street in the City of Santa Ana (City), can accommodate up to 15 modern streetcar vehicles, and includes OC Streetcar administration, operations, vehicle maintenance, parts storage, and maintenance-of-way. Secured exterior vehicle storage, a

free-standing drive-through vehicle wash, employee parking, and fire department and delivery access will also be included.

Two properties were required to accommodate the MSF. Acquisition of both properties progressed through the eminent domain process, and a court-ordered possession was obtained for one property in April 2018. The second property was subject to an Interlocutory Judgement in Condemnation, approved by the court on November 29, 2018, which included a settlement agreement approved by the OCTA Board of Directors (Board) and the City. The agreement stipulated that OCTA could take possession of the property approximately 30 days after payment. This was the estimated time the prior owner required for demolition of above-ground structures and remediation of contaminated soil. The prior owner's soil remediation work was more extensive and took longer than anticipated. OCTA took possession of the second property on March 4, 2019, the same day the NTP with construction was issued to Walsh.

All of the structural facilities were removed by the prior owner. However, the property owner left behind a substantial quantity of thick concrete slabs, subsurface foundations, and heavy steel plate fencing. Removal of these remaining items was not contemplated in the construction contract with Walsh.

On February 12, 2019, a change directive was issued to Walsh to perform the remaining demolition and removal of materials on the property. The scope of work (SOW) included: removal and disposal of remaining concrete and asphalt slabs; removal and disposal of remaining fencing, gates, and associated foundations, bollards, posts and sign structure; and removal and disposal or abandon in place of below grade utilities that interfere with the construction of the MSF.

On March 7, 2019, a memorandum was sent to the Board from the Chief Executive Officer advising that the initial change directive had been issued and that staff would return to the Board with a contract change order (CCO) for approval.

The construction management team prepared an independent cost estimate to verify the reasonableness of the contractor's proposed price. The cost of the work was then negotiated with Walsh, and the agreed-upon price was \$313,633 for direct cost plus markups. Staff may pursue reimbursement for a portion of these costs from the former property owner if the elements being removed are found not to be in compliance with the previously approved settlement agreement.

To help mitigate contract delays and increases to time-related overhead contract costs, it was necessary to give Walsh immediate direction to proceed with the

demolition and removal work. CCO No. 1, in the amount of \$199,749, was issued to Walsh for the initial demolition and removal work, including removal and disposal of the concrete and asphalt slab, fences, above ground utilities and scale remnants, and coordination with utility companies. The initial CCO amount is within the delegated authority allowed under OCTA's Board-approved procurement policies and procedures.

Supplemental CCO No.1.1, to augment CCO No. 1 by \$113,884 for the remaining SOW requires Board approval. The work includes underground utility identification by use of ground penetrating radar and potholing, capping and removal of underground utilities, traffic control, and storm water protection plan measures. The utility identification and removal and capping of utilities will be performed on a time and material basis due to uncertainties in the number of utilities that are present on the property.

The contractor also requested time-related overhead be paid as part of the CCO because the project schedule will be impacted. It was agreed that this request would not be considered until the required time impact evaluation was provided and reviewed by OCTA. Staff will return to the Board for approval of any required supplemental cost related to this change when the final impacts have been agreed to with Walsh.

Procurement Approach

The initial 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 September 24, 2018, the Board authorized Agreement No. C-7-1904 with Walsh, in the amount of \$220,638,549, for construction of the Project.

Attachment A shows the CCOs executed to date. Proposed CCO No. 1.1, in the amount of \$113,884, will increase the cumulative value of CCO No. 1 to \$313,633.

Board approval is required for CCO No. 1.1, pursuant to the State of California Public Contracting Code Section 20142.

Fiscal Impact

The additional work described in CCO No. 1.1 is included in OCTA's Fiscal Year 2018-19 Budget, Capital Programs Division, Account 0051-TS010-9017-Z32, and is funded with federal Congestion Mitigation Air Quality and Section 5309 funds.


Summary

Staff recommends authorization for the Chief Executive Officer to negotiate and execute Contract Change Order No.1.1 to Agreement No. C-7-1904 with Walsh Construction Company II, LLC, in the amount of \$113,884, for demolition and removal of materials at the maintenance and storage facility property for the OC Streetcar project.

Attachment

- A. Walsh Construction Company II, LLC, Agreement No. C-7-1904, Contract Change Order Log

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