



November 13, 2025

To: Transit Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Contract Change Orders for Construction of 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. Contract change orders are required for additional pavement modifications and restoration as required by the City of Santa Ana, maintenance and storage facility electrical grounding modifications, special trackwork bonding, emergency walkway modifications, and earthwork inefficiencies caused by differing site conditions.

Recommendations

- A. Authorize the Chief Executive Officer to negotiate and execute Contract Change Order No. 77.5 to Agreement No. C-7-1904 with Walsh Construction Company II, LLC, in the amount of \$250,000, for pavement modifications and restoration.
- B. Authorize the Chief Executive Officer to negotiate and execute Contract Change Order No. 189.1 to Agreement No. C-7-1904 with Walsh Construction Company II, LLC, in the amount of \$50,000, for maintenance and storage facility electrical grounding modifications.
- C. Authorize the Chief Executive Officer to negotiate and execute Contract Change Order No. 238 to Agreement No. C-7-1904 with Walsh Construction Company II, LLC, in the amount of \$600,000, for special trackwork bonding.
- D. Authorize the Chief Executive Officer to negotiate and execute Contract Change Order No. 296.1 to Agreement No. C-7-1904 with Walsh Construction Company II, LLC, in the amount of \$800,000, for emergency walkway modifications.

- E. Authorize the Chief Executive Officer to negotiate and execute Contract Change Order No. 302 to Agreement No. C-7-1904 with Walsh Construction Company II, LLC, in the amount of \$1,603,812, for earthwork inefficiencies caused by differing site conditions.

Discussion

On September 24, 2018, the Orange County Transportation Authority (OCTA) Board of Directors (Board) awarded the contract to construct the OC Streetcar Project (Project) to Walsh Construction Company II, LLC (Walsh). The Notice to Proceed with construction was issued to Walsh on March 4, 2019. The construction of the Project is approximately 95 percent complete. The project alignment is referenced in Attachment A.

Staff is requesting Board authorization of the following contract change orders (CCO).

Pavement Modifications and Restoration

Pavement modifications and restoration were needed at various project locations, including Fourth Street, Fifth Street, and Mortimer Street. This work was a result of utility trenching and other work that damaged the pavement or additional paving to match existing conditions as required by the City of Santa Ana (City). The additional paving work was not anticipated in the original design. CCO No. 77.5, in the amount of \$250,000, will provide compensation to the contractor for the additional pavement modifications and restoration.

Maintenance Storage Facility (MSF) Electrical Grounding Modifications

Design modifications were required to ensure sufficient electrical grounding in various areas in the MSF. These modifications include additional measures to safely ground the electrical current related to the overhead contact system in the MSF and train wash. CCO No. 189, in the amount of \$178,283, was previously issued to compensate the contractor for these modifications to begin work and avoid delays to the contract. However, the contractor has since provided additional supporting documentation to support its request for additional labor efforts that were not accounted for in the previously negotiated amount. CCO No. 189.1, in the amount of \$50,000, is needed to fully compensate for the electrical grounding modifications at the MSF.

Special Trackwork Bonding

The streetcar trackwork requires special bonding between the tracks in certain situations to maintain the electrical continuity to maintain the safe operations of the streetcar when changing track locations. The required special trackwork bonding was not included in the original design at numerous locations, including at the MSF, Ross Street intersection, Sasser Park area, MSF, Mortimer Street and Santa Ana Boulevard intersection, and Harbor Boulevard. CCO No. 238, in the amount of \$600,000, is required for completion of the special trackwork bonding at the additional locations.

Emergency Walkway Modifications

Under advisement from the California Public Utilities Commission (CPUC) during pre-certification inspection walks, OCTA modified the section of ballasted track within the Pacific Electric Right-of-Way (PEROW) to include wider emergency walkways adjacent to the streetcar tracks in order to bring the Project into compliance with CPUC requirements. The modifications to the emergency walkways are safety and accessibility improvements required for CPUC certification and were not anticipated in the original design. CCO No. 296, in the amount of \$208,000, was issued to cover initial costs and has now been fully expended. CCO No. 296.1, in the amount of \$800,000, is required to complete the emergency walkway modifications.

Earthwork Inefficiencies Caused by Differing Site Conditions and Foreman Overtime

The Project experienced schedule and cost impacts due to the discovery of contaminated materials along the alignment. While contract changes were issued to address direct impacts, the contractor asserted that the contamination further affected their ability to efficiently perform base contract earthwork activities. Additionally, but separately, the contractor asserted that the overtime for a construction foreman was compensable pursuant to the contract. These issues were disputed but were recently resolved as part of ongoing mediation efforts.

The earthwork impacts were difficult to fully anticipate due to the ongoing discovery of contamination and underground utility conflicts. To manage the contaminated materials, stockpiles were placed within the PEROW until the testing and disposal locations could be determined. Some of these stockpiles remained in place and limited the contractor's access to work areas, disrupting earthwork operations and requiring changes to planned construction methods. The contractor tracked its work using daily time-and-materials reports, submitted

as extra work bills. However, these bills often combined base contract work with potential CCO work, making it difficult for the project team to separate and validate costs. Following extensive discussions and review of supporting documentation recently provided by the contractor, the project team has reached an agreement as part of the ongoing mediation efforts. CCO No. 302, in the amount of \$1,603,812, is needed to compensate Walsh for inefficiencies in performing earthwork caused by differing site conditions, resolve numerous disputed extra work bills including foreman overtime hours, as well as any associated interest claims. This will result in closing 1,883 previously disputed extra work bills.

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 \$220,538,649, for construction of the Project.

Proposed CCO nos. 77.5, 189.1, 238, 296.1, and 302, in the amount of \$3,303,812, will increase the cumulative value of the contract to \$359,795,237, as shown in Attachment B. Board approval is required for CCO nos. 77.5, 189.1, 238, 296.1, and 302 pursuant to the State of California Public Contracting Code Section 20142. The CCOs will be issued with a reservation of rights to advance the Project, pending resolution of disputes between OCTA and Walsh. The statements in this report are made in the context of, and subject to, OCTA's reservation of rights.

Fiscal Impact

Funding for these changes was included in the revised Federal Transit Administration Full Funding Grant Agreement approved by the Board on February 24, 2025, and is included in OCTA's Fiscal Year 2025-26 Budget, Capital Programs Division, account nos. 0051-TS010-9017-Z47 (CCO No. 77.5), 0051-TS010-9017-Z32 (CCO No. 189.1), 0051-TS010-9017-Z1A (CCO No. 238), 0051-TS010-9017-Z1B (CCO No. 296.1), and 0051-TS010-9017-Z41 (CCO No. 302), and is funded with Federal Transit Administration Section 5309 New Starts grant funds and local Measure M2 funds. The cost of the work associated with the CCOs noted above will be funded by, and are included in, the project budget that was previously approved by the Board on February 24, 2025.

Summary

Staff recommends the Board authorize the Chief Executive Officer to negotiate and execute CCO No. 77.5, in the amount of \$250,000, for pavement modifications and restoration, CCO No. 189.1, in the amount of \$50,000, for MSF electrical grounding modifications, CCO No. 238, in the amount of \$600,000, for special trackwork bonding, CCO No. 296.1, in the amount of \$800,000, for emergency walkway modifications, and CCO No. 302, in the amount of \$1,603,812, for earthwork inefficiencies caused by differing site conditions to Agreement No. C-7-1904 between OCTA and Walsh for the construction of the Project.

Attachments

- A. Project Alignment Map
- B. Walsh Construction Company II, LLC, Agreement No. C-7-1904, Contract Change Order (CCO) Log

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