



City Manager's Report
January 9, 2018 City Council Meeting
Prepared by: Rebecca Neves, City Engineer
Item #: 12.2

Subject: Adopt a Resolution:

1. Approving a Construction Contract with Doug Veerkamp General Engineering, Inc. for the Western Placerville Interchanges, Phase 2 Project (CIP #41828) in an amount not to exceed of \$9,064,855.78 and authorizing the City Manager to execute the said contract; and
2. Authorize the City Manager to negotiate and execute any necessary Contract Change Orders with Doug Veerkamp General Engineering, Inc. up to \$25,000 per change order for the said project for a not to exceed aggregate amount of \$200,000. Said change orders shall be brought to the next available City Council meeting for ratification; and
3. Authorizing an agreement with the State of California Department of Highway Patrol in the amount of \$36,000 for traffic control and enforcement services during construction of the said Project and authorizing the City Manager to execute the same.

Background:

Following City Council approval of the Supplemental EIR and selection of Modified Alternative D as the preferred alternative for the Western Placerville Interchanges Project, Phase 2 on June 24, 2014, the project progressed through design, right-of-way, delivery agreements, and utility coordination; and received project funding allocation on August 18, 2017 at the California Transportation Commission meeting and construction funds are programmed for this fiscal year. The construction of the project will include a new eastbound US 50 off-ramp at Ray Lawyer Drive, realignment and signalization of the Ray Lawyer Drive/Forni Road intersection, construction of a new Class I bicycle and pedestrian facility, a new El Dorado County Transit Authority (EDCTA) park-and-ride facility, realignment of Forni Road, and utility relocations as necessary to support these improvements.

Discussion:

The City received the authorization to proceed for all construction related activities on October 12, 2017 from Caltrans Headquarters operating as the oversight agency for the project funding and is now ready to move the project forward into construction. The Council authorized release of the construction contract documents for public bidding at the regularly scheduled meeting held on October 24, 2017, along with approval of construction management and engineering services and all construction funding appropriations. Bid documents were released on November 9, 2017 and the public bid opening was held on December 7, 2017 at City Hall. The project received two bids as summarized below:

- | | |
|--|-----------------|
| 1. Doug Veerkamp General Engineering, Inc. | \$9,064,855.78 |
| 2. Teichert Construction | \$10,188,888.00 |

Staff performed an analysis of the bids received and determined there were no irregularities with the apparent low bidder, nor was there a bid protest. References, relevant work, and experience were checked and found to be in good standing order with current licensing. Therefore, Doug Veerkamp General Engineering, Inc. is deemed to be the lowest responsive and responsible bidder.

Both bids received were above the Engineer's Estimate of \$8,756,919.00, however, sufficient funding for the project is available to continue with award of the construction contract to the apparent low bidder.

Given the size and complexity of the project and understanding that unforeseen items may arise in the field, a request is included to grant the City Manager authority and ability to implement expedient solutions during construction for efficient use of the public funds to address any additional unforeseen items beyond the awarded contract scope of work and prevent a costly construction delay. The City Manager will be able to negotiate and execute any necessary contract change orders (CCOs) with Doug Veerkamp General Engineering, Inc. up to \$25,000 per change order (representing approximately 0.27% of the total contract) requested for a not to exceed aggregate amount of \$200,000. The \$25,000 single approval amount is consistent with the City Manager's current purchasing authority approved at the regularly scheduled Council Meeting on October 24, 2017. The aggregate amount of \$200,000 represents an approximate contract contingency of 2.2% of the total contract value. The process of using this proposed authority will be upon evaluation in the field during construction, the City Engineer will review time and material tracked options and make a recommendation to the City Manager to address any out of scope work that will deliver a more complete and maintainable project. All approved CCOs will be brought back to the Council for review and ratification at the next available meeting. To further avoid potential delay, the City Manager may request a special Council meeting to approve any CCOs above the purchasing limit.

As part of this project lies directly adjacent to and within State Highway 50, work within the construction contract necessitated obtaining an encroachment permit from Caltrans, which the City has received. As part of the permitting requirements, State furnished traffic control of the construction zone is needed through the Construction Zone Enhanced Enforcement Program (COZEEP). This requirement entails authorizing a reimbursement agreement between the State of California Department of Highway Patrol (CHP) and the City. Staff worked with CHP staff and has developed the necessary standard state form agreement to compensate hourly rate and mileage as required to provide these services. The total value of the agreement is a \$36,000.

Budget Impact:

The Western Placerville Interchanges, Phase 2 project (CIP #41828) funding consists of several sources from various project partners including the following:

State Transportation Improvement Program (STIP/RIP)	\$ 5,542,000
State Highway Operation and Protection Program (SHOPP) Minor	470,000
Urban State Transportation Block Grant Program (STBGP)	272,000
Public Transportation Modernization Improvement, and Service Enhancement Account Program (PTMISEA-EDCTA)	1,430,620
Congestion Mitigation Air Quality (CMAQ)	1,666,000
Congestion Mitigation Air Quality (CMAQ-EDCTA)	1,100,000
State Transit Assistance Funds (EDCTA)	335,000
El Dorado Irrigation District (EID)	837,000
Total	<u>\$ 11,652,620</u>

At the regularly scheduled Council meeting on October 24, 2017, appropriations for the funding sources listed above were approved. The encumbrances to date are summarized below:

Doug Veerkamp General Engineering (Proposed Construction Contract)	\$ 9,064,856
Drake Haglan and Associates (Construction Management Contract)	1,225,727
Dokken Authorization #9 (Construction Engineering Support)	192,878
CHP COZEEP Agreement (Proposed)	36,000
Total	<u>\$ 10,519,461</u>

The current and proposed project budgets are as follows:

Description	Project Budget
Construction	\$ 9,064,856
COZEEP Agreement	36,000
Construction Management	1,225,727
Construction Engineering	192,878
City Engineering Staff	200,000
Contingency*	933,159
Total	<u>\$ 11,652,620</u>

*The amount for contingency includes the proposed \$200,000 aggregate amount under the City Manager's authority requested for approval with this action.

The \$10,519,461 in project encumbrances, including the proposed construction contract with Doug Veerkamp General Engineering, Inc. in the amount of \$9,064,855.78 and the COZEEP agreement with CHP in the amount of \$36,000, is well within the \$11,652,620 project budget. In addition to the appropriated project budget, with the assistance of the El Dorado County Transportation Commission (EDCTC), the City was able to obtain additional project funding through repurposed earmark funds in the amount of \$287,968. This subsequent funding source will be appropriated to the project at a later date following the anticipated authorization to be received over the next few months. Staff is also working with its business partners in securing approximately \$2,602,620 in advanced funding to help manage the relatively heavy cash flow demands of this project. Obtaining this advanced funding is necessary in order to begin the project.

Options:

1. Approve the requests as recommended by staff.
2. Direct staff to negotiate different terms for the contract and agreements.
3. Increase the authorization for the City Manager up to a single CCO approval amount of \$50,000.

Recommendation:

Adopt a Resolution:

1. Approving a Construction Contract with Doug Veerkamp General Engineering, Inc. for the Western Placerville Interchanges, Phase 2 Project (CIP #41828) in an amount not to exceed of \$9,064,855.78 and authorizing the City Manager to execute the said contract; and
2. Authorize the City Manager to negotiate and execute any necessary Contract Change Orders with Doug Veerkamp General Engineering, Inc. up to \$25,000 per change order for the said project for a not to exceed aggregate amount of \$200,000. Said change orders shall be brought to the next available City Council meeting for ratification; and
3. Authorizing an agreement between the State of California Department of Highway Patrol and the City of Placerville in the amount of \$36,000 for traffic control and enforcement services during construction of the said Project and authorizing the City Manager to execute the same.



Rebecca Neves, City Engineer



Pierre Rivas, Development Services Director



M. Cleve Morris, City Manager

ATTACHMENT: Resolution