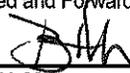




## STAFF REPORT

**Date:** Tuesday, December 9, 2014  
**To:** Bryan H. Montgomery, City Manager  
**From:** Kevin Rohani, Public Works Director/City Engineer

Approved and Forwarded to City Council:

  
Bryan H. Montgomery, City Manager

**SUBJECT:** Approve Amendment Number 2 to the Agreement with LJ Consultants, Inc. for Construction Management Services associated with CIP 124 - Laurel Road Widening Project (O'Hara Avenue to Rose Avenue)

### Introduction

The City's adopted FY 2014/15 Capital Improvement Program (CIP) Budget designates funding for various infrastructure repair and replacement projects. This is consistent with the City's goals to improve the quality of the City's public infrastructure, and to enhance the quality of life for our residents.

### Background and Analysis

On December 10, 2013, the City Council adopted Resolution 102-13, which approved an agreement with LJ Consultants, Inc. to provide construction management and inspection services during the construction of this project. The original contract amount was \$179,455.00. On April 9, 2014, at the beginning of the project, an amendment to the contract was executed. This amendment increased the contract amount by \$12,075.00 to cover the cost of three items not included in the original contract scope of work. These costs brought the contract amount to \$191,530.00.

The items were:

- Preparation of a Storm Water Pollution Prevention Plan
- Rental charges for an on-site construction trailer
- Charges for electrical service for the construction trailer

During the summer months as construction was underway, and in order to keep the progress of the project moving forward; LJ Consultants, Inc. was asked by staff to perform additional services as outlined below at total cost of \$4,000:

- Preparation of a revised Traffic Handling Plan which would reduce overall construction costs by reducing the amount of concrete k-rail needed for the project
- Preparation of the annual report associated with the Storm Water Pollution Prevention Plan for submittal to the Regional Water Quality Control Board

- Preparation of the Notice of Termination also associated with the Storm Water Pollution Prevention Plan for submittal to the Regional Water Quality Control Board

The construction of the project was proceeding according to the plans and schedule and moving towards the completion phase. During the final grading and paving operations, a previously unknown gas line was discovered under Laurel Road which was at a depth that created conflict with the new roadway base construction. The construction team investigated the existence of this gas line to determine ownership. After much outreach and research, Calpine Corporation claimed ownership of the gas line. The construction operations came to a stop until a solution to the conflict with the gas line was determined. LJ Consultants, Inc. worked diligently representing the City of Oakley in dealing with Calpine Corporation to make sure the interests of the City were protected.

It was finally determined that the best and most economical solution was to construct a concrete cap on top of the gas line before the construction work could resume. The cost for the construction of the concrete cap was approximately \$46,000. Calpine Corporation initially claimed that the City of Oakley should pay for this work. This proposal was rejected by staff. After extensive discussion and negotiations between the construction team and Calpine Corporation, it was agreed upon that Calpine Corporation would pay for the cost of construction of the concrete cap on the gas line. Subsequently, this work was completed, and the City received a check from Calpine Corporation for \$46,000. LJ Consultants, Inc. played a key role in these negotiations, and the final solution that was in the best interest of the City of Oakley.

Approximately three additional weeks were needed to resolve the gas line issue. These extra work days resulted in additional labor charges by LJ Consultants, Inc. (\$15,245.00), potential additional costs to complete the close-out of the project (are estimated at \$23,070.00); as well as additional construction trailer rental charges (\$750.00). The total cost for these items is \$39,065.00, in addition to the \$4,000 of extra work performed over the summer months; brings the total of Contract Amendment Number 2 to \$43,065.00.

This project was successfully completed despite various challenges that were encountered during the construction work. The construction team lead by LJ Consultants, Inc. did a great job to complete the construction of this project nearly \$100,000 under the approved budget.

#### **Fiscal Impact**

Approval of this resolution authorizes the City Manager to execute the contract amendment with LJ Consultants, Inc. for a total amount not to exceed \$234,595.00.

#### **Recommendation**

Staff recommends that the City Council adopt the resolution approving Contract Amendment Number 2 to the agreement with LJ Consultants, Inc., for an amount not

to exceed \$43,065.00, resulting in a total contract amount of \$234,595.00 and authorizing the City Manager to execute said amendment.

**Attachments**

- 1) Resolution
- 2) Contract Amendment Number 2

RESOLUTION NO. \_\_\_-14

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OAKLEY, APPROVING CONTRACT AMENDMENT NUMBER 2 TO THE AGREEMENT WITH LJ CONSULTANTS, INC. FOR CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES RELATED TO CAPITAL IMPROVEMENT PROJECT CIP 124 – LAUREL ROAD WIDENING (O’HARA AVE TO ROSE AVE)**

**WHEREAS**, as part of the Fiscal Year 2014/15 Budget, the City of Oakley approved a Capital improvement Program (CIP); and

**WHEREAS**, CIP Project No. 124 is a project to widen and improve Laurel Road between O’Hara Avenue and Rose Avenue, and

**WHEREAS**, on December 10, 2013, the Oakley City Council adopted Resolution 102-13 approving an agreement with LJ Consultants, Inc. (LJ Consultants) for construction management and inspection services associated with CIP Project No. 124; and

**WHEREAS**, changes and unforeseen circumstances encountered during construction necessitated additional services be provided by LJ Consultants; and

**WHEREAS**, LJ Consultants has submitted a change order request for the additional costs incurred for the additional work for an amount not to exceed \$43,065.00, resulting in a total contract amount not to exceed amount of \$234,595.00.

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED**, by the City Council of the City of Oakley that Contract Amendment Number 2 to the agreement with LJ Consultants for CIP No. 124 is hereby approved in the form attached hereto as Exhibit A and the City Manager is authorized to execute said amendment.

**PASSED AND ADOPTED** by the City Council of the City of Oakley at a meeting held on the 9<sup>th</sup> of December 2014 by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTENTIONS:

APPROVED:

\_\_\_\_\_  
Mayor

ATTEST:  
  
\_\_\_\_\_  
Libby Vreonis, City Clerk

\_\_\_\_\_  
Date

**AMENDMENT NUMBER 2 TO CONSULTING SERVICES AGREEMENT BETWEEN THE CITY OF OAKLEY AND LJ CONSULTANTS, INC. FOR CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES ASSOCIATES WITH CIP 124 – LAUREL ROAD WIDENING (O'HARA AVE TO ROSE AVE)**

This Amendment is entered into by and between the City of Oakley, a municipal corporation (hereinafter referred to as "City"), and LJ CONSULTANTS, INC., a California Corporation (hereinafter referred to as "Consultant"), effective as of the 9<sup>th</sup> day of December, 2014.

**RECITALS**

- A. On December 10, 2013, City and Consultant executed an Agreement for Construction Management and Inspection Services (hereinafter referred to as the "Agreement") related to the Laurel Road Widening Project – CIP 124 (O'Hara Ave to Rose Ave); and, on April 9, 2014, City and Consultant executed Amendment Number 1 to Agreement for some additional services for a total not to exceed amount of \$12,075.00, increasing the total contract amount to \$191,530.00; and,
- B. City and Consultant now desire that the following amendments be made to the Consultant's services to include:
1. Consultant preparing a revised Traffic Handling Plan
  2. Consultant preparing the Annual Report related to the approved SWPPP;
  3. Consultant preparing the Notice of Termination also related to the SWPPP;
  4. Additional work performed by Consultant related to discovery of the shallow CPN Pipeline;
  5. Additional worked performed by Consultant related to close-out of the project;
  6. Additional rent charges for construction trailer; and,
- C. City and Consultant now wish to amend the Agreement to amend the scope of services and include appropriate payment provisions for the additional services.

**AGREEMENT**

NOW, THEREFORE, in consideration of the mutual covenants, promises and agreements contained herein, City and Consultant mutually agree and covenant as follows:

1. Except as provided herein, the terms used in this Amendment shall have the same meaning as the same terms have in the Agreement.
2. The Agreement is hereby amended as follows:
  - a. Section 2 is amended to read: "**COMPENSATION.** City hereby agrees to pay Contractor a sum not to exceed TWO HUNDRED THIRTY FOUR THOUSAND FIVE HUNDRED NINETY FIVE DOLLARS AND NO CENTS (\$234,595.00)"
3. Except as provided herein, all other terms and provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the City of Oakley, a municipal corporation, has authorized the execution of this Amendment in duplicate by its City Manager and attestation by its City Clerk as authorized by the City's Purchasing Ordinance and the parties have caused this Amendment to be executed in duplicate.

City

City of Oakley, a municipal corporation

Consultant

LJ CONSULTANTS, INC., a California Corporation

By: \_\_\_\_\_  
Bryan H. Montgomery, City Manager

By: Jason G. - PRINCIPAL  
Name, Title

ATTEST:

\_\_\_\_\_  
Libby Vreonis, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Derek P. Cole, City Attorney