



**City Council Agenda Report**  
**Meeting Date:** September 19, 2017  
**Department:** Public Works

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**SUBJECT:**

CONTRACT CHANGE ORDER NO.1 FOR CONSTRUCTION FOR THE CIVIC CENTER PHASE 1 ROUGH GRADING PROJECT (PW 2015.30)

**RECOMMENDED ACTION(S):**

Approve Contract Change Order No.1 with Sukut Construction, LLC of Santa Ana, California, for the Phase 1 Civic Center Rough Grading Project (PW 2015.30) and authorize the City Manager to execute the document.

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**EXECUTIVE SUMMARY:**

In accordance with the Development Agreement (“DA”) for Serrano Summit, the City utilized the “Acceleration and Self-Help” (“Self-Help”) provisions to begin early construction of the Civic Center Site. The cost for the rough grading work is reimbursable to the City by the owner of the Serrano Summit development. The costs for the grading the mitigation area is the responsibility of the City.

As the rough grading for the site occurred, several unforeseen items required additional resources to keep construction progressing. Further, consultants recommend adding grading of the mitigation area to this phase of construction to prevent future delays. Contract Change Order (“CCO”) No. 1 includes:

	Cost	Reimbursable by Owner	City Expense
Removal of buried trash, debris and abandoned pipes	\$ 34,405	X	
Time extension due to nesting birds	\$ 9,448	X	
Removal of additional Coastal Sage Scrub	\$ 2,783	X	
Retaining wall to protect existing water tanks	\$183,680	X	
Expedited mitigation area grading	\$ 63,529		X
TOTAL	\$293,845		

CCO No. 1 adds a total of \$293,845 to the contract for a total not-to-exceed amount of \$2,734,089.00. Staff is presenting CCO No. 1 for City Council

approval because the proposed changes exceed the City Manager's contractual authority. Sukut anticipates completing construction of the Serrano Summit Tract 17331 / Civic Center Rough Grading project ("Project"), including the proposed additional work, by late October. Staff requests the City Council approve Contract Change Order ("CCO") No. 1 for the Serrano Summit Tract 17331 / Civic Center Rough Grading project ("Project") and authorize the City Manager to execute the document.

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## **BACKGROUND:**

The Second Amendment to the DA between the City and Irvine Ranch Water District ("IRWD") was approved by the City Council on May 17, 2017. The Second Amendment enables the City to directly oversee the preparation of the Civic Center site under Self-Help provisions on a reimbursable basis. Per the DA, the City is obligated to construct the mitigation area as well as certain other costs.

On April 18, 2017, the City Council approved a \$2,440,410.00 construction contract with Sukut Construction, LLC to rough grade the 82-acre Serrano Summit/Civic Center site, construct mechanical stabilized earthen ("MSE") retaining walls, and install a portion of the storm drain system. On May 12, 2017 the City broke ground on the project and began construction.

On September 5, 2017, the City received correspondence from IRWD indicating Lennar Homes of California, Inc., acquired the residential portion of the Serrano Summit property. Consistent with the terms included in Section 13.3 of the DA, Lennar has agreed to deliver a fully-executed Assignment of Development Agreement following the close of escrow.

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## **DISCUSSION:**

Staff is requesting the City Council's authorization of Contract Change Order No. 1 for the Serrano Summit Tract 17331 / Civic Center Rough Grading project. CCO No. 1 increases the contract not-to-exceed amount by \$293,845.00 and all except \$63,529.00 for the mitigation area is fully reimbursable to the City by the owner of Serrano Summit. The additional work is described as follows:

### **Unforeseen Conditions**

During construction it was discovered that the site had unknowingly been used to dump old debris (demolished concrete, transit pipe and trash) which was buried and covered with vegetation over time. Additionally, storm drain pipes shown to have been removed in previous projects were required to be removed as part of

this project to complete the grading activities. The following are the details of the work activities and associated costs:

- Remove unforeseen demolished concrete, transit pipe and trash from grading area. The cost to remove and dispose of this material is \$16,817.00.
- Remove existing Reinforced Concrete Pipe / Corrugated Metal Pipe. The cost to remove piping is \$17,588.00.

### **Bird Nesting Activity Impacts**

The project experienced a schedule impact due to birds nesting on the construction site. Pursuant to the project Streambed Alteration Agreement, avoidance buffers for nests are to consist of up to 300 feet for non-protected species and 500 feet for raptors and protected species. The work avoidance buffers were imposed throughout the construction periods of May – July 2017, which posed significant constraints for Sukut to perform work on the site. This impacted the scheduled grading and construction plan, which resulted in a schedule extension of 73 calendar days. Sukut encountered additional overhead costs associated with the time extension. In order to help prevent further bird nesting activity, additional Coastal Sage Scrub was removed across the construction site. The following are the details of the work activities and associated costs:

- Extend contract 73 calendar days due to nesting bird impact. General condition extension at a cost of \$9,448.00
- Remove additional Coastal Sage Scrub to prevent potential further project impact from bird nesting activity at a cost of \$2,783.00.

### **MSE Wall and drainage ditch**

The MSE Wall and drainage ditch were added at IRWD's request to protect surface water storage tanks that are adjacent to the Serrano Summit/ Civic Center site. The cost of adding the MSE Wall and drainage ditch is \$183,680.00. This work is reimbursable.

### **Mitigation Area Grading**

The City's Resource Agency Permits require that a portion of the Civic Center site, referred to as the mitigation area, be preserved indefinitely in a natural condition. The mitigation area grading was planned to be performed during a future phase of the Civic Center project. Carlson SLS, the Civic Center project's environmental mitigation consultant, was familiar with Sukut and their capabilities to perform the required work for the mitigation area. Carlson SLS recommended

Sukut perform this work and Bernards, the Civic Center's construction management consultant, recommended the work be moved into this project phase to alleviate the construction delays from bird nesting impacts. The cost to add the mitigation area grading and development is \$63,529.00. In accordance with the DA, the costs for grading the split streambed in the mitigation area is borne by the City while the costs for designing and planting the split streambed is borne by the owner.

CCO No. 1 adds a total of \$293,845.00 to the contract, which exceeds the City Manager's contractual approval authority. Therefore, staff is presenting CCO No. 1 for City Council approval.

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### **FISCAL IMPACT:**

CCO No.1 would increase the contract amount from \$2,440,244.00 to \$2,734,089.00 and add 73 calendar days to the construction period. Sufficient funds are available in the City Opportunities Study Area Capital Projects Fund for the recommended action. All except \$63,529.00 for the mitigation area grading construction costs outlined in this report are reimbursable to the City through reimbursements from the owner of Serrano Summit.

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### **ATTACHMENTS:**

1. CCO No. 1 – Sukut – CONSTRUCTION FOR THE CIVIC CENTER PHASE 1 ROUGH GRADING PROJECT

Initiated By: Thomas E. Wheeler, P.E., Director of Public Works / City Engineer

Submitted By: Keith D. Neves, Assistant City Manager / Director of Finance

Approved By: Debra Rose, City Manager