

ITEM 4.9

CITY MANAGER'S REPORT OCTOBER 10, 2022 CITY COUNCIL REGULAR MEETING

ITEM: **APPROVE CONTRACT CHANGE ORDER WITH GEORGE REED, INC. AND RELATED BUDGET AMENDMENT ASSOCIATED WITH ROAD MAINTENANCE AND REHABILITATION, CIP PS 22-45**

RECOMMENDATION: **Adopt Resolution Approving a Contract Change Order with George Reed, Inc. and Related Budget Amendment Associated with Road Maintenance and Rehabilitation, CIP PS 22-45**

SUMMARY:

On August 8, 2022, City Council awarded a construction contract to George Reed, Inc. for the construction of Road Maintenance and Rehabilitation, Capital Improvement Project (CIP) PS 22-45. Staff has identified additional roadway segments that are in need of repair (Table 1, below) and requested a proposal to perform the extra work. A proposed Change Order with George Reed for this extra work is included as Attachment B, and a project location map is included as Attachment C.

Staff is requesting City Council approve a Contract Change Order in the amount of \$760,530 and a budget amendment transferring \$760,530 from the Street Reserve Fund (1010) to the Streets CIP Fund (3310) and authorize staff to spend the additional funds as necessary to achieve the goals of the project.

BACKGROUND:

On August 8, 2022, City Council awarded a construction contract to George Reed for the construction of the Road Maintenance and Rehabilitation, CIP PS 22-45. The scope of work consisted of constructing a 3" overlay and installing traffic striping and road markings on Thomsen Road, J Street and Prairie Dunes Drive.

The subject overlay process consists of grinding to remove edge and failed asphalt from the existing street surface, and then placing a single layer of hot asphalt on top and compacting to a depth of 3".

Subsequent to contract execution, Staff identified additional roadway segments that would benefit from a pavement rehabilitation process similar to that being currently performed on the aforementioned streets. These additional segments and the limits of work are summarized in Table 1, below.

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RELATED BUDGET AMENDMENT ASSOCIATED WITH THE ROAD
MAINTENANCE AND REHABILITATION, CIP PS 22-45

Table 1 – Proposed Additional Scope of Work

STREET NAME	SEGMENT BEGIN	SEGMENT END
Rev. Maurice Cotton Dr.	Lathrop Rd.	Warren Ave.
Shilling Ave.	Rev. Maurice Cotton Dr.	100’ west of Cedar Valley Dr.
Avon Ave.	Lathrop Rd.	Warren Ave.
Suzie Q Ln.	Mingo Wy.	Somoa Lane
Mingo Wy.	Warfield Rd.	Cambridge Dr.

The proposed extra work includes, and is detailed as Option 1 in Exhibit A to Attachment B:

- Rev. Maurice Cotton Dr., Shilling Ave., and Avon Ave.: Pulverize existing road, place 3” overlay, shoulder back, striping and markings.
- Suzie Q Ln. and Mingo Wy: grind and remove 3” depth of existing asphalt; place 3” asphalt overlay, striping and markings.

Pulverization is the process of crushing and compacting in-place existing asphalt to form road base, and is an economical alternative to complete road reconstruction.

Shoulder backing is the process of placing and compacting a 3’ wide strip of baserock adjacent to new paving on streets without curb and gutter to protect the 3” vertical edge of the new asphalt overlay.

Staff recommends and requests Council approve the proposed budget transfer and change order to perform this pavement rehabilitation.

REASON FOR RECOMMENDATION:

The street segments identified by staff are in need of repair and would benefit from the pavement rehabilitation process currently being performed by George Reed on streets in the original scope of work. Performing the proposed work during George Reed’s mobilization for the current scope of work would be less expensive than performing the work under a separate mobilization, and would extend the service life of the streets by 10-15 years.

FISCAL IMPACT:

The approved contract with George Reed is for \$1,793,860, with a 15% construction contingency in the amount of \$269,079, for a total project budget of \$2,062,939. To fund the proposed additions to the scope of work, a change order in the amount of \$910,529.80 and a budget amendment in the amount of \$760,530 are needed. With the proposed budget amendment, the total authorized project budget would be \$2,823,469.

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Staff requests City Council approve a budget amendment transferring \$760,530 from the Street Reserve Fund (1010) to the Streets CIP Fund (3310) as follows:

<u>Increase Transfer Out</u>		
1010-9900-990-9010		\$760,530
 <u>Increase Transfer In</u>		
3310-9900-393-0000	PS 22-45	\$760,530
 <u>Increase Expenditures</u>		
3310-8000-420-12-00	PS 22-45	\$760,530
 <u>Decrease Reserve</u>		
1010-251-03-00	PS 22-45	\$760,530

ATTACHMENTS:

- A. Resolution Approving a Contract Change Order with George Reed, Inc. and Related Budget Amendment Associated with Road Maintenance and Rehabilitation, CIP PS 22-45
- B. Change Order with George Reed, Inc.
- C. Project Location Map

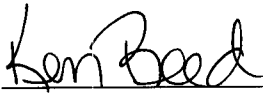
CITY MANAGER'S REPORT
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APPROVALS:



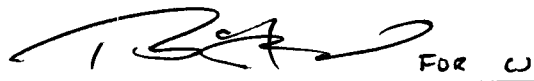
Steven Hollenbeak
Assistant Engineer

10.4.22
Date



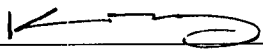
Ken Reed
Senior Construction Manager

10-4-22
Date



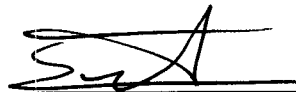
Cari James
Finance Director

10/5/2022
Date



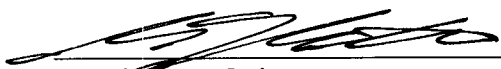
Michael King
Assistant City Manager

10-4-2022
Date



Salvador Navarrete
City Attorney

10.5.2022
Date



Stephen J. Salvatore
City Manager

10.5.22
Date

RESOLUTION NO. 22-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP APPROVING A CONTRACT CHANGE ORDER WITH GEORGE REED, INC. AND RELATED BUDGET AMENDMENT ASSOCIATED WITH ROAD MAINTENANCE AND REHABILITATION, CIP PS 22-45

WHEREAS, on August 8, 2022, City Council awarded a construction contract to George Reed, Inc. (George Reed) for the construction of FY 22/23 Road Maintenance and Rehabilitation Capital Improvement Project (CIP) PS 22-45; and

WHEREAS, the approved contract between the City of Lathrop and George Reed was in the amount of \$1,793,860 plus a 15% construction contingency of \$269,079 for a total project budget of \$2,062,939; and

WHEREAS, the contract consisted of 3" asphalt overlays and associated paving tasks on segments of Stonebridge Ave, Thomsen Road, J Street and Prairie Dunes Drive; and

WHEREAS, staff identified additional roadway segments that would benefit from the pavement rehabilitation process currently being performed by George Reed: Reverend Maurice Cotton Drive, Shilling Avenue, Avon Avenue, Suzie Q Lane and Mingo Way; and

WHEREAS, George Reed has provided the City with a proposal to accomplish this work at a cost of \$910,529.80; and

WHEREAS, staff is requesting City Council approve a budget amendment transferring \$760,530 from the Street Reserve Fund (1010) to the Streets CIP Fund (3310) as follows:

<u>Increase Transfer Out</u>		
1010-9900-990-9010		\$760,530
<u>Increase Transfer In</u>		
3310-9900-393-0000	PS 22-45	\$760,530
<u>Increase Expenditures</u>		
3310-8000-420-1200	PS 22-45	\$760,530
<u>Decrease Reserve</u>		
1010-251-03-00	PS 22-45	\$760,530

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Lathrop does hereby approve a Contract Change Order with George Reed, Inc. in the amount of \$910,529.80 and a Budget Amendment transferring \$760,530 from the Street Reserve Fund (1010) to the Streets CIP Fund (3310) and authorize staff to spend the additional funds as necessary to achieve the goals of the project.

The foregoing resolution was passed and adopted this 10th day of October 2022, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Sonny Dhaliwal, Mayor

ATTEST:

Teresa Vargas, City Clerk

APPROVED AS TO FORM:



Salvador Navarrete, City Attorney

CHANGE ORDER NO. 3

**FY 2022-23 Road Maintenance and Rehabilitation
CIP PS 22-45**

City of Lathrop

CONTRACT CHANGE ORDER NO. 3
FY 2022-23 ROAD MAINTENANCE AND REHABILITATION, CIP PS 22-45

Contractor: George Reed, Inc.
Address: 140 Empire Avenue
Modesto CA 95354
Change Order Date: October 10, 2022
Notice to Proceed Date: September 12, 2022
Contract Date: August 8, 2022

This contract change order augments or changes the following:

1) ADDITIONS TO CONTRACT

Pursuant to the provisions of the Contract Specifications and proposal attached as Exhibit A, you are hereby directed to make the herein described changes to the plans and specifications, and scope of work contracted for within the terms of the agreement between the **City of Lathrop** and **George Reed, Inc.** dated **August 8, 2022**.

I. CHANGES IN THE SPECIFICATIONS

A. None

II. ADDITION(S) TO CONTRACT

Item	Description	Quantity	Unit	\$/Unit	Extension
Option 1: Suzie Q Lane and Mingo Way – 0.25’ mill and overlay Reverend Maurice Cotton Drive, Avon Drive, Shilling Ave – Pulverize Existing Roadway, Grade and Compact, Overlay 0.25’ HMA					
1.1	Mobilization	1	LS	\$16,700.00	\$16,700.00
1.2	Traffic Control for work on all Roads	1	LS	\$75,000.00	\$75,000.00
1.3	Pulverize and Grade Existing Roadway Reverend Maurice Cotton Drive, Avon Drive, Shilling Ave	158,730	SF	\$0.78	\$123,809.40
1.4	Cold Mill Grinding and Off-Haul - Suzie Q and Mingo Way	54,960	SF	\$0.74	\$40,670.40
1.5	Lower / Raise / Patch Iron – All Roads Based on Field Count of: 35 Manholes EA, 12 Water Valves and One Monument	1	LS	\$85,000.00	\$85,000.00
1.6	HMA Paving – 0.25’ AC Section put down on all roads	4,010	TN	\$135.00	\$541,350.00
1.7	Shoulder Backing - Reverend Maurice Cotton Drive, Avon Drive, Shilling Ave	350	TN	\$80.00	\$28,000.00
				SUBTOTAL	\$910,529.80

CHANGE ORDER NO. 3

**FY 2022-23 Road Maintenance and Rehabilitation
CIP PS 22-45**

City of Lathrop

TOTAL ADDITIONAL COST FROM THIS CHANGE ORDER	\$910,529.80
TOTAL ADDITIONAL COST FROM CHANGE ORDER #1	\$2,200.00
TOTAL ADDITIONAL COST FROM CHANGE ORDER #2	\$6,500.00
ORIGINAL CONTRACT AMOUNT	\$1,793,860.00
REVISED CONTRACT AMOUNT AFTER CHANGE ORDER #3	\$2,713,090.00

(END OF CHANGES)

DESCRIPTION OF WORK

See additions to contract. The contractor shall provide all labor, material, equipment and shall perform all incidental tasks as necessary to complete the change order.

Staff has identified additional roadway segments that would benefit from the pavement rehabilitation process currently being performed by George Reed. These streets and the limits of work are summarized in the following table:

STREET NAME	SEGMENT BEGIN	SEGMENT END
Rev. Maurice Cotton Dr.	Lathrop Rd.	Warren Ave.
Shilling Ave.	Rev. Maurice Cotton Dr.	100' west of Cedar Valley Dr.
Avon Ave.	Lathrop Rd.	Warren Ave.
Suzie Q Ln.	Mingo Wy.	Samoa Lane
Mingo Wy.	Warfield Rd.	Cambridge Dr.

TIME OF COMPLETION

The extra work will add 25 working days to the original contract.

RELEASE AND WAIVER

Acceptance of this Contract Change Order constitutes a full and final resolution of all pending disputes between City and Contractor regarding scope of work and payment for work. Contractor accepts this Contract Change Order as full payment for all work performed to date and hereafter to be performed, up to and including Contract Change Order No. 3. Contractor releases and discharges City from any and all claims, demands, damages, actions and causes of actions and causes of action for injuries, damages or losses, whether known or unknown, foreseen or unforeseen, arising directly from Contractor's work on this contract. Contractor expressly waives the provisions of California Civil Code, Section 1542, which reads as follows:

A general release does not extend to claims which the Creditor does not know or suspect to exist in his favor at time of executing the release, which if known by him must have materially affected his settlement with the debtor.

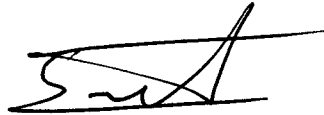
(END OF SECTION)

CHANGE ORDER NO. 3

FY 2022-23 Road Maintenance and Rehabilitation
CIP PS 22-45

City of Lathrop

Approved As
To Form:



Salvador Navarrete
City Attorney
City of Lathrop

10.5.2022
Date

Recommended
By:

Michael King
Assistant City Manager
City of Lathrop

Date

Approved By:

Stephen J. Salvatore
City Manager
City of Lathrop

Date

Accepted By
Contractor:

George Reed, Inc.

Date

Print Name and Title

MODESTO OFFICE
P.O. BOX 4760, MODESTO, CA 95352
TELEPHONE: (209) 523-0734
ESTIMATING FAX: (209) 523-4927
ACCOUNTING FAX: (209) 523-4313



OFFICE & YARD
140 EMPIRE AVENUE
MODESTO, CA 95354
1-877-823-2305
WWW.GEORGEREED.COM



CA License No. 211337-A, DIR# 1000001042

October 4, 2022

GRI bid #22-829CO

Attn: Ken Reed
Senior Construction Manager – City of Lathrop
kreed@ci.lathrop.ca.us
(209) 712-3136

RE: City of Lathrop - CIP PS 22-45 CCO 2 Paving Plan

Thank you for giving George Reed, Inc. the opportunity to provide pricing for the referenced project. Bid based on RFQ discussed with Ken Reed and Jason Reyes with additional roadways and treatments to be added to the roads noted. Work plans and projected quantities were provided by Ken Reed.

Proposal items and scope included: Option #1

Item	Description	Quantity	Unit	\$/Unit	Extension
Suzie Q Lane and Mingo Way – 0.25' mill and overlay					
Reverend Maurice Cotton Drive, Avon Drive, Shilling Ave – Pulverize Existing Roadway, Grade and Compact, Overlay 0.25' HMA					
1.1	Mobilization	1	LS	\$16,700.00	\$16,700.00
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1.7	Shoulder Backing - Reverend Maurice Cotton Drive, Avon Drive, Shilling Ave	350	TN	\$80.00	\$28,000.00
				TOTAL	\$910,529.80

Pricing is based on field visit and discussions with Ken Reed. Option #1 paving does not include paving grid/fabric in any of the roads to be overlaid. Prices are based on completing the work in the 2022 work season. If the City of Lathrop decides to start in 2023, escalations may apply.

Pricing assumes unobstructed access and full work area is available to GRI. Standard M-F work week, day-time. If weekend work is requested by the City, a \$7,000.00 adder will be applied to Saturday shifts on top of item work to cover premiums on GRI crew and subcontractor work.

ATTACHMENT C – PROJECT LOCATION MAP

