

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 6/12/2024

Staff Report No. 24-283

TO: AC Transit Board of Directors
FROM: Michael A. Hursh, General Manager/Chief Executive Officer
SUBJECT: Telegraph Avenue Traffic Signal Priority Project Change Orders

ACTION ITEM

AGENDA PLANNING REQUEST:

RECOMMENDED ACTION(S):

Consider authorizing the General Manager or his designee to increase the value of the Telegraph Avenue Traffic Signal Priority Project (Project) contract with Ray's Electric for a new total contract value of \$4,386,451 to enable execution of associated change orders.

Staff Contact:
Ramakrishna Pochiraju, Executive Director of Planning & Engineering

STRATEGIC IMPORTANCE:

Goal - Safe and Secure Operations
Initiative - Infrastructure Modernization

This action is pivotal for the timely and efficient completion of the Telegraph Avenue Traffic Signal Priority portion of the Rapid Corridors Project, ensuring enhanced service reliability and operational efficiency.

BUDGETARY/FISCAL IMPACT:

The original contract awarded to Ray's Electric was valued at \$3,293,851. The proposed action will increase the total contract value by 33%, or \$1,092,600, resulting in a new value of \$4,386,451. The included change orders exceed the General Manager's authority (15% over the original contract value) by \$598,524, thereby requiring Board approval. Funding for the proposed change orders, as well as the overall project, will be covered by federal Congestion Management Air Quality (CMAQ), Regional Measure 3, and Measure B grants.

BACKGROUND/RATIONALE:

On March 23, 2022, the Board of Directors authorized the release of a construction services solicitation for the Rapid Corridors improvement project, aimed at enhancing transit operations along the Telegraph Avenue corridor within the cities of Berkeley and Oakland. This initiative is part of the broader Rapid Corridors Project, which includes additional enhancements along San Pablo Avenue and Grand Avenue.

Following a no-bid response to the initial solicitation, a revised solicitation was issued on April 10, 2023. This subsequent process attracted two significantly divergent bids, necessitating a comprehensive cost analysis by

District staff. This analysis-based on an independent cost estimate, the bids received, and market index prices-allowed for the determination of fair and reasonable pricing for most line items, leading to the proposed award by the Board of Directors to Ray's Electric. Not all bid line items were awarded to Ray's Electric initially, as some pricing could not be justified as fair and reasonable. After extensive review and several rounds of clarification regarding the specifications, a decision was made to de-scope certain items from the original bid list. This approach was taken to ensure financial prudence and maintain the integrity of the project's budgetary and schedule constraints.

Subsequent assessments and review have now identified opportunities to reintroduce some, but not all, of these de-scoped items through the proposed change orders. The \$1.09 million in change orders encompasses reintroduced items such as tasks related to signal control system modifications and integration. Additionally, the change orders will cover coordinated efforts with the construction management contractor team to undertake some of the work initially de-scoped, ensuring that all necessary enhancements are completed effectively and efficiently. This strategy aligns with our commitment to project cost management while advancing critical infrastructure improvements. Finally, construction has not yet commenced on this project. Construction activities will commence once these negotiated deferred items are incorporated back into the construction contract.

ADVANTAGES/DISADVANTAGES:

The primary advantage of increasing the contract value to accommodate these change orders is that they enable staff to optimize the Project scope based on refined cost analyses and updated Project specifications. This ensures that essential elements are completed under the subject contract while avoiding expenditures on items that can be performed more economically. This approach maximizes the efficient use of budgeted funds. However, the disadvantage is the potential for additional Project costs associated with reintegrating de-scoped items, and the contractor's lack of coordination with the previously-removed bid items.

ALTERNATIVES ANALYSIS:

An alternative action would be to re-solicit these services, a third time, and perhaps find a lower-cost construction firm. This action is not recommended as it would lead to delays that would jeopardize available funding for the Project.

PRIOR RELEVANT BOARD ACTION/POLICIES:

22-176 - Permission to Solicit- Telegraph Ave TSP
22-176a - Contract Award
Board Policy 465 - Procurement Policy

ATTACHMENTS:

None

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Approved/Reviewed by:

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