

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 9/25/2019

Staff Report No. 15-210c

TO: AC Transit Board of Directors

FROM: Michael A. Hursh, General Manager

SUBJECT: Request to Increase the General Manager's Authority for BRT Contract Amendments

ACTION ITEM

RECOMMENDED ACTION(S):

Consider authorizing the General Manager to approve change orders and amend the O.C. Jones and Sons, Inc. contract as-needed up to 18% of the Board approved contract value for the East Bay Bus Rapid Transit (BRT) Project Infrastructure and Station Platforms.

BUDGETARY/FISCAL IMPACT:

The original contract value for the BRT Infrastructure and Station Platforms (2016-1534) was \$108,112,200. To date, the contract value has been increased by 5% through the execution of 12 change orders. Staff is projecting the contract value to increase by 18% through contract completion. This increase is in-line with the budget estimated in the Project Completion Plan approved by the Board. No additional funding is required for this contract increase.

BACKGROUND/RATIONALE:

The District awarded the BRT Infrastructure and Station Platforms contract (2016-1354) to O.C. Jones and Sons, Inc. in the amount of \$108,112,200 on March 6, 2016, through Staff Report 15-210a. The full notice to proceed was issued by the District on August 1, 2016, with a period of performance of 688 days. Due to permitting delays, unforeseen conditions and right-of-way restrictions, the District and the contractor extended the term of the contract by 534 days from the original completion date. The time extension was based on several comprehensive time impact analyses reviewed and approved by the District.

The District has executed 12 contract change orders to address many of these unforeseen conditions, system upgrades and time extensions. The new contract total is currently \$113,345,738 (5% increase) based on the cost impacts from these change orders. The District estimates that eight more change orders will be required based on the cost components of the time extension and the re-sequencing delays as a result of the incremental permitting process. The cumulative total of the contract amendments resulting from all the change orders is projected to be 18% exceeding the 15% Board mandated threshold. This increase is within the Board approved budget for BRT construction which estimated the contingency of \$39 Million, adopted through Staff Report 17-132.

ADVANTAGES/DISADVANTAGES:

This action will continue the agreement between the District and O.C. Jones as to allow for the uninterrupted completion of the final phase of construction. The disadvantage of taking this action is the capital expenditures required to compensate the contractor in a timely manner. The immediate funding will be supplemented through the District's recent line of credit and eventually reimbursed through Federal Transit Administration grants. Staff has accounted for the additional project costs in the monthly project risk analysis and has allocated a portion of the program contingency to cover all potential costs.

ALTERNATIVES ANALYSIS:

Staff considered bringing this request to the Board when the cumulative change orders reach the 15% threshold but do not recommend it as the staff would like to inform the Board ahead of the time and get approval to use the contingency budget.

PRIOR RELEVANT BOARD ACTION/POLICIES:

Staff Report 15-210a - BRT Infrastructure and Station Platforms Award

Staff Report 17-132 - BRT Project Completion Plan

ATTACHMENTS:

None

Approved by:

Ramakrishna Pochiraju, Executive Director of Planning & Engineering

Claudia L. Allen, Chief Financial Officer

Denise C. Standridge, General Counsel

Reviewed by:

William Tonis, Director of Project Controls & Systems Analysis

David Wilkins, Director of Bus Rapid Transit

Gene Clark, Director of Procurement and Materials

Chris Andrichak, Director of Management and Budget

Prepared by:

Michael Silk, Contract Specialist