

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 5/27/2020

Staff Report No. 15-210d

TO: AC Transit Board of Directors
FROM: Michael A. Hursh, General Manager
SUBJECT: Request to Increase the GM's Authority for BRT Contract Amendment

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 30% of the Board-approved contract value for the East Bay Bus Rapid Transit (BRT) Project Infrastructure and Station Platforms.

STRATEGIC IMPORTANCE:

Goal - Safe and Secure Operations
Initiative - Infrastructure Modernization

Continued budgetary spending authority is critical to the completion of the Bus Rapid Transit project.

BUDGETARY/FISCAL IMPACT:

The original contract value for the BRT Infrastructure and Station Platforms (IFB 2016-1534) was \$108,112,200. The Board approved SR 15-210c in September 2019 which increased the contract value by 18% to a new total of \$127,572,396 with the execution of 19 change orders. Staff has forecasted the need to increase the potential contract value up to 30% to a new authorized total of \$140,545,860 through substantial construction completion, punch list items, and remaining change order work. The majority of the contract increase will be paid for with existing grants and available line of credit funding.

Approximately \$2.5 million of the total contract value is work done by O.C. Jones on behalf of and paid for by other parties, such as East Bay Municipal Utility District, Pacific Gas & Electric, the City of Oakland, and the Metropolitan Transportation Commission.

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. As the construction couldn't start in first four zones until April 2017 due to permitting delays, unforeseen conditions and right-of-way restrictions and delays, the District and the contractor extended the term of the contract by 534 days from the original completion date of May 31, 2018. The time extension was based six comprehensive

time impact analyses reviewed and approved by the District.. The current committed contract spend is \$119,029,304, based on the cost impacts from the 19 change orders generated during the time extension. The District forecasts up to twelve more change orders that will be required to address costs associated with unforeseen conditions, design modifications and time extensions. The cumulative total of the contract amendments resulting from the additional change orders is projected to exceed the 18% Board approved threshold, to a potential increase of 30%. This increase is currently within the Board approved budget for BRT construction with a contingency of \$39 million, adopted through Staff Report 17-132. Staff is currently evaluating potential additional costs related to the project delays and will update the Board during the project close-out phase. Staff requests the Board to authorize the General Manager to approve change orders and amend the O.C. Jones and Sons, Inc. contract as-needed up to 30% of the Board-approved contract value to complete the construction.

ADVANTAGES/DISADVANTAGES:

This action will allow the District to fund the cost of construction by O.C. Jones through completion of Milestone 6, the final phase of construction. We cannot complete construction without the additional funding. There is no disadvantage to approving this action.

ALTERNATIVES ANALYSIS:

One alternative is that staff can present this request to the Board at a later date when the cumulative spending of the contract reaches the 18% threshold. Current spending is approaching this threshold. Staff doesn't recommend this alternative as it may prevent the District from making timely payments to the contractor. A second alternative is that the District could deny the outstanding change orders creating a potentially longer and more costly relationship with the contractor. Staff doesn't recommend this alternative either.

PRIOR RELEVANT BOARD ACTION/POLICIES:

Staff Report 15-210c - Request to Increase the General Manager's Authority for BRT Contract Amendments

Staff Report 17-132 - Project Completion Plan

ATTACHMENTS:

None

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