# REPORT TO COUNCIL
# City of Sacramento

**915 I Street, Sacramento, CA 95814-2604**
**www. CityofSacramento.org**

**Consent**
**July 17, 2007**

**Honorable Mayor and**
**Members of the City Council**

**Title: Change Order: 8th Avenue Improvements Project (PN: TZ86)**

**Location/Council District:** 8th Avenue between Martin Luther King Jr. Boulevard and 42nd Street. Location map - Exhibit A of Resolution. (District 5)

**Recommendation:**

Adopt a **Resolution:** 1) authorizing the execution of Change Order No. 2 in the amount of $131,343 with Vanguard Construction for the 8th Avenue Improvements Project (PN: TZ86); 2) resetting the City Manager's change order authority; 3) directing staff to amend the expense and revenue budgets by appropriating $120,000 from the IPA amendment to the project; and 4) amending FY 2006-2007 Capital Improvement Program (CIP) budget by appropriating $120,000 of Oak Park 2005 Tax Exempt Bond funds to the 8th Avenue Improvements Project (Project); 5) approving related findings stated in the staff report; and 6) authorizing the execution of an amendment to the Individual Project Agreement;

Adopt a **Redevelopment Agency Resolution:** 1) approving related findings stated in the staff report; 2) allocating $120,000 of Oak Park 2005 Tax Exempt Bond funds to the Project; and 3) authorizing the execution of an amendment to the Individual Project Agreement (IPA) with the City of Sacramento for $120,000.

**Contact:** Zuhair Amawi, Associate Civil Engineer, 808-7620; Jon Blank, Supervising Engineer, 808-7914; Sarah Hansen, Redevelopment Manager, SHRA, 440-1322

**Presenters:** None

**Department:** Transportation and SHRA

**Division:** Engineering Services

**Organization No:** 3434

**Description/Analysis**

**Issue:** This project constructed traffic calming and drainage improvements on 8th Avenue between Martin Luther King Jr. Boulevard and 42nd Street. Change Order No. 2 addresses the resolution of various underground utility conflicts encountered during construction. Allocation of Oak Park 2005 Tax Exempt Bond

funds is being requested to provide funding for Change Order No. 2 which is necessary for project completion.

**Policy Considerations:** This action requested herein is consistent with the Sacramento City Code, Title 3 and with the City of Sacramento Strategic Plan goals of improving and expanding public safety. The Redevelopment Agency concurs with this determination.

**Environmental Considerations:** A Categorical Exemption for this project was approved on May 30, 2006 by the City of Sacramento. The Redevelopment Agency concurs with this determination.

**Rationale for Recommendation:** Approval of Change Order No. 2 is needed to cover the additional costs to resolve underground utility conflicts associated with the construction of the project drainage system.

**Financial Considerations:** As of May 16, 2007, the 8th Avenue Improvements Project has a project budget of $577,000. This amount includes $50,000 of City funds and $527,000 provided by Sacramento Housing and Redevelopment. The work performed as part of Change Order No. 2 has created a need for additional funding. No other reasonable means of financing the change order is available; therefore, allocation of Oak Park 2005 Tax Exempt Bond Funds in the amount of $120,000 is being recommended. Transfer of funds is to occur through an amendment to the Individual Project Agreement (IPA) between the City and SHRA.

**Emerging Small Business Development (ESBD):** The ESBD goal is 20%. Vanguard Construction has 26.2% E/SBE participation on this project.

Respectfully Submitted by: _____
Nicholas Theocharides
Engineering Services Manager

Approved by: _____
Jerry Way
Director of Transportation

Approved by: _____
Anne M. Moore
Executive Director, SHRA

Recommendation Approved:

_____
RAY KERRIDGE
City Manager

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## Attachment 1

**Background Information:**

The 8th Avenue Improvements Project between Martin Luther King Jr. Boulevard and 42nd Street consists of constructing improvements to enhance pedestrian safety and reduce speeding in the neighborhood. The improvements include: removing and replacing the round corners to construct monolithic bulb-outs, rerouting drain lines, constructing new drain inlets, replacing substandard curb ramps, installing stamped asphalt crosswalks, relocating street lighting, replacing striping and markings, and installing landscaping and irrigation.

The project was originally planned to construct epoxy-on detached bulb-outs similar to those constructed in Midtown as part of the South Midtown Area Transportation Plan. However, as additional funds were identified by SHRA, the 8th Avenue project design was changed to attached type bulb-outs in order to address the aesthetic, operational, and street maintenance issues associated with the detached bulb-outs constructed for the South Midtown Area Transportation Project.

The 8$^{th}$ Avenue project was advertised August 7, 2005, and two contractors, Vanguard Construction, and C&C Construction responded. Both contractors were found to be non-responsive; Vanguard Construction for not submitting a cost breakdown for electrical items, and C&C Construction for not meeting the City's 20% ESBD goal. The project was re-advertised on March 8, 2006 and three contractors responded. Vanguard Construction was found to be the lowest responsive and responsible firm and was awarded the contract in the amount of $374,831 on May 30, 2006.

Change Order No. 1 in the amount of $36,912 was executed under City Manager authority on April 5, 2007. The change order compensated the contractor for increased quantities for asphalt concrete and aggregate base.

Change Order No. 2 addresses the resolution of various underground utility conflicts encountered during construction. The contract specifications called for the contractor to excavate the street to determine the location of all underground utilities along the proposed alignment of the drain lines prior to placing pipe connecting the drain inlets to existing manholes. The final lines and grades were to be determined in the field by the Resident Engineer. During construction it was found that existing water, telephone, and gas utilities were in the way of the proposed connections, and new manholes had to be constructed along a much deeper 60 inch storm drain line.

Change Order No. 2 in the amount of $131,342 will compensate the contractor for the additional work required to resolve the utility conflicts and for various bid item quantities which had to be increased. Compensation for the drainage work provided for in Change Order No. 2 is based on force account (also known as "time and materials") per the provisions of the City Standard Construction Specifications. This method of payment is based on prevailing wage rates for the various labor classifications used on the project and the market rate for equipment and materials costs.

**Attachment 2**

# RESOLUTION NO.

Adopted by the Sacramento City Council

## 8TH AVENUE IMPROVEMENTS PROJECT (PN: TZ86)

**BACKGROUND**

A. The 8th Avenue Improvements Project between Martin Luther King Jr. Boulevard and 42nd Street consists of constructing improvements to enhance pedestrian safety and reduce speeding in the neighborhood. The improvements include: removing and replacing the round corners to construct monolithic bulb-outs, rerouting drain lines, constructing new drain inlets, replacing substandard curb ramps, installing stamped asphalt crosswalks, relocating street lighting, replacing striping and markings, and installing landscaping and irrigation.

B. Change Order No. 1 in the amount of $36.912 was executed under City Manager authority on April 5, 2007. The change order compensated the contractor for increased quantities for asphalt concrete and aggregate base.

C. Change Order No. 2 addresses the resolution of various underground utility conflicts encountered during construction. The contract specifications called for the contractor to excavate the street to determine the location of all underground utilities along the proposed alignment of the drain lines prior to placing pipe connecting the drain inlets to existing manholes. The final lines and grades were to be determined in the field by the Resident Engineer. During construction it was found that existing water, telephone, and gas utilities were in the way of the proposed connections, and new manholes had to be constructed along a much deeper 60 inch storm drain line.

D. Change Order No. 2 in the amount of $131,342 will compensate the contractor for the additional work required to resolve the utility conflicts and for various bid item quantities which had to be increased. Compensation for the drainage work provided for in Change Order No. 2 is based on force account (also known as "time and materials") per the provisions of the City Standard Construction Specifications. This method of payment is based on prevailing wage rates for the various labor classifications used on the project and the market rate for equipment and materials costs.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

Section 1. The City Manager is authorized to execute Change Order No. 2 in the amount of $131,342 with Vanguard Construction for the 8th Avenue Improvements Project (PN: TZ86).

Section 2. The City Manager's change order authority is reset.

Section 3. The 8th Avenue Improvements Project (PN: TZ86) expense and revenue budgets are amended by appropriating $120,000 from the IPA amendment.

Section 4. The FY 2006-2007 Capital Improvement Program (CIP) budget is amended by appropriating $120,000 of Oak Park 2005 Tax Exempt Bond funds to the 8th Avenue Improvements Project (Project).

Section 5. After due consideration of the facts presented, the findings, including the environmental findings regarding this action, as stated in this resolution and the staff report that accompanies this resolution, are approved.

Section 6. In accordance with California Redevelopment Law Section 33445, the City Council further finds and determines that:

(a) The Project will benefit the project area by improving inadequate infrastructure and utilities by constructing various improvements on 8th Avenue thereby relieving traffic related issues and mitigating unsafe conditions for residents and others within the Oak Park Project Area.

(b) No other reasonable means of financing the Project is available to the community to fund the additional unforeseen product work to resolve the conflict between certain utilities and infrastructure improvements.

(c) The payment of the cost of the Project is consistent with the project area implementation plan and will assist in eliminating the blighting conditions that include inadequate infrastructure and utilities inside the project area and improving unsafe conditions.

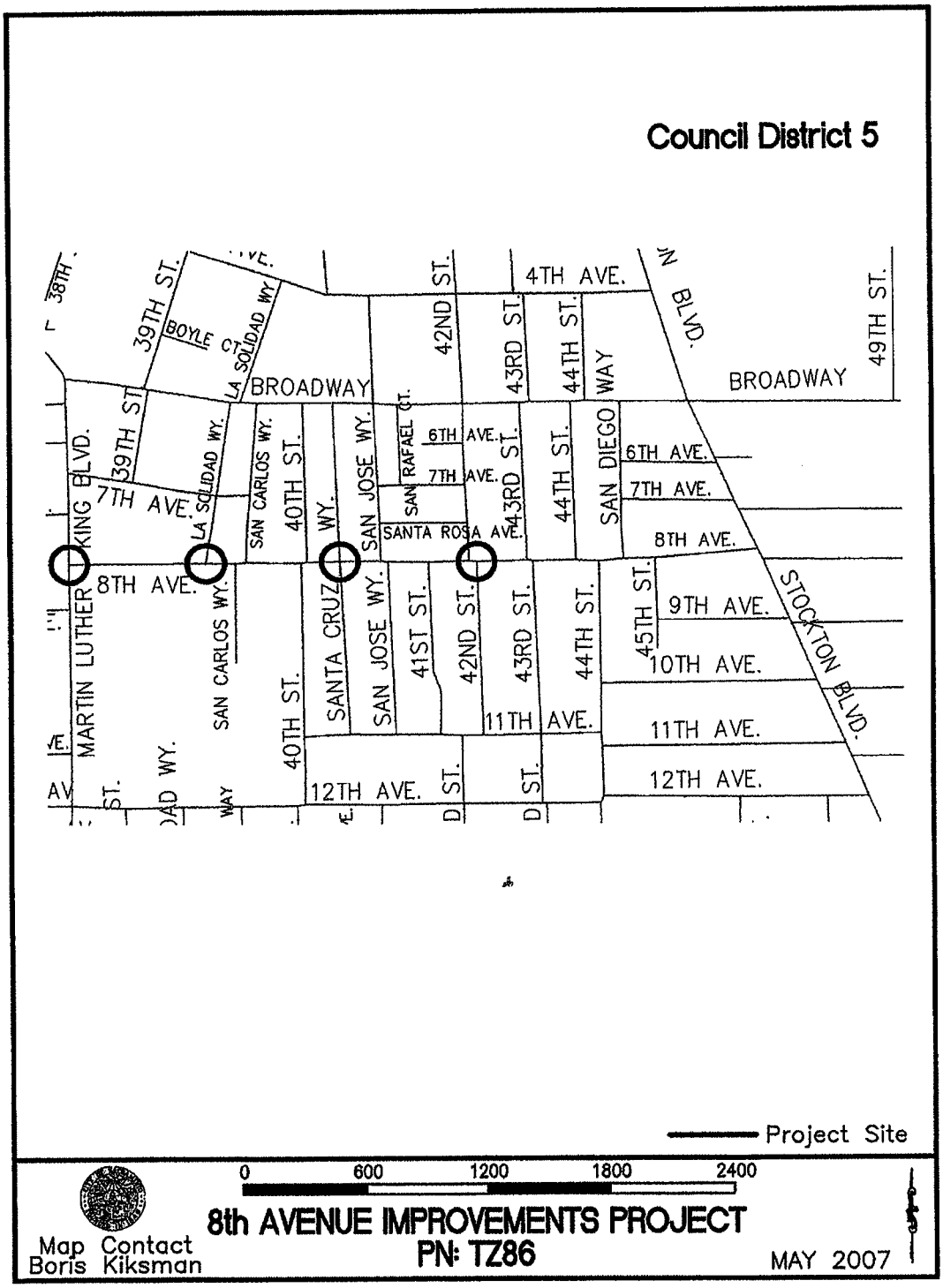
Section 7. The City Manager is authorized to enter into an amendment to the Individual Project Agreement ("IPA") with the Redevelopment Agency of the City of Sacramento to accept $120,000 in Agency funding, or such other funding amount as the Agency may reasonably authorize to pay for the costs associated with this Project.

Section 8: The City Manager is authorized to take all actions and execute such instruments as may be necessary to implement the amendment to the IPA.

**Table of Contents:**

Exhibit A: Map of 8th Avenue Improvements Project (PN: TZ86)

**Exhibit A**


Council District 5
4TH AVE.
BROADWAY
BROADWAY
39TH ST.
BOYLE CT.
LA SOLIDAD WY.
42ND ST.
43RD ST.
44TH ST.
49TH ST.
SAN DIEGO WAY
6TH AVE.
7TH AVE.
8TH AVE.
9TH AVE.
10TH AVE.
11TH AVE.
12TH AVE.
SAN RAFAEL CT.
SANTA ROSA AVE.
SAN JOSE WY.
SAN CARLOS WY.
40TH ST.
SANTA CRUZ WY.
41ST ST.
45TH ST.
MARTIN LUTHER KING BLVD.
STOCKTON BLVD.
Project Site
0 600 1200 1800 2400
8th AVENUE IMPROVEMENTS PROJECT
PN: TZ86
MAY 2007
Map Contact
Boris Kiksman

**Attachment 3**

# RESOLUTION NO.

Adopted by the Redevelopment Agency of the City of Sacramento

On date of:

**8th Avenue Improvements Project (PN: TZ86)**

## BACKGROUND

A. The Oak Park Redevelopment Area includes 8th Avenue.

B. Adoption of the redevelopment project area created the opportunity to use tax increment funding for necessary planning and desirable development activities including infrastructure improvements.

C. The Oak Park Redevelopment Advisory Committee has recommended the use of Oak Park 2005 Tax Exempt bond funds to fund a portion of the funds needed for this project.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE REDEVELOPMENT AGENCY OF THE CITY CERTIFIES THAT:

Section 1. All of the evidence presented having been duly considered, the findings, as stated in the staff report that accompanies this resolution, are approved.

Section 2. In accordance with California Redevelopment Law Section 33445, the Redevelopment Agency I further finds and determines that:

(a) Project will benefit the project area by improving inadequate infrastructure and utilities by constructing various improvements on 8th Avenue thereby relieving traffic related issues and mitigating unsafe conditions for residents and others within the Oak Park Project Area.

(b) No other reasonable means of financing the Project is available to the community to fund the additional unforeseen product work to resolve the conflict between certain utilities and infrastructure improvements.

(c) The payment of the cost of the Project is consistent with the project area implementation plan and will assist in eliminating the blighting conditions that include inadequate infrastructure and utilities inside the project area and improving unsafe conditions.

Section 3. The Executive Director is authorized to amend the Agency's budget to allocate $120,000 of 2005 Oak Park Tax Exempt bond funds to the Project.

Section 4. The Executive Director is authorized to executive an amendment to the Individual Project Agreement with the City of Sacramento to complete the Project.