



JOINT REPORT

DATE: June 25, 2024

CATEGORY: Consent

DEPT.: Public Works

TITLE: **Authorization for Administrative Action
for a Public Works Project through
August 31, 2024**

RECOMMENDATION

Acting in its joint capacity as the City Council and Board of Directors of the Shoreline Regional Park Community, authorize the City Manager or designee to take the following action if needed between the dates of June 26, 2024 and August 31, 2024, with ratification by the City Council and Board of Directors of the Shoreline Regional Park Community at their next meeting.

Amend the construction contract with K. J. Woods Construction, Inc., a California corporation (Entity No. 1834949), for Water and Sanitary Sewer Main Replacement Crossing U.S. 101, Construction, Project 20-41, to add up to \$550,000 for a not-to-exceed amount of up to \$10,368,000, of which 12% is from the Shoreline Regional Park Community Fund.

BACKGROUND AND ANALYSIS

The City Council's first scheduled meeting for Fiscal Year 2024-25 is on September 10, 2024, which is 11 weeks after the last meeting for Fiscal Year 2023-24 on June 25, 2024. Significant construction activity occurs during the summer, including the City amending existing construction contracts for capital projects. As the projects reach these milestones, Public Works must receive Council approval before staff can take the necessary administrative actions for the projects to move forward with the contract amendment.

Staff has identified one City project that would be adversely impacted by delays and increased costs if it needs to be held until Council's next meeting on September 10, 2024. Staff requests Council authorize the City Manager or designee to act on behalf of Council for this project if action is needed prior to the end of August. Staff would bring this item to Council for ratification at its next meeting on or before September 10, 2024.

This project and the requested authority are described below.

Amend Construction Contract

There is one capital project in construction that may require additional funding: Water and Sanitary Sewer Main Replacement Crossing U.S. 101, Construction, Project 20-41. This project includes replacement of the aging water main and sewer mains crossing U.S. 101 under North Shoreline Boulevard, increasing redundancy to the North Bayshore Area, improving maintenance access to City utilities, and providing capacity for North Bayshore Area development. The construction contract was awarded to the lowest responsive bidder, K. J. Woods Construction, Inc., on November 17, 2023, in the amount of \$9,818,000. Due to the unforeseen discovery of soil contamination within the project limits, on [May 14, 2024](#), Council approved a professional services agreement amendment with AECOM Technical Services to complete the United States Environmental Protection Agency (EPA) required sampling and testing.

The testing results are still forthcoming. If additional construction efforts are required to address the handling and disposal of hazardous soil materials that exceed the construction contract, staff will have to delay amending the construction contract until Council can consider appropriating additional funding on September 10, 2024. This could delay the active construction project, resulting in delay costs and possible contractor claims.

Staff requests that Council authorize the City Manager or designee to amend the construction contract with K. J. Woods Construction, Inc., to add up to \$550,000 if the need arises. The requested increase in the contract will provide staff the flexibility to negotiate unforeseen soil disposal costs with the contractor. If the contract is amended, staff will return to Council at its next meeting to ratify the final amendment amount.

FISCAL IMPACT

Water and Sanitary Sewer Main Replacement Crossing U.S. 101, Construction, Project 20-41, is funded as follows:

Table 1: Project 20-41 Funding Sources

Funding Source	Amount
Wastewater Dept Proceeds	\$ 4,928,350
North Bayshore Water Impact Fee	3,412,000
Water	2,979,000
Water Capacity Fee	2,696,000
Shoreline Regional Park Community	2,334,500
Wastewater	2,175,500

Funding Source	Amount
North Bayshore Wastewater Impact Fee	769,000
Wastewater Capacity Fee	500,000
TOTAL	\$19,794,350

An amendment to the construction contract with K. J. Woods Construction, Inc., for Water and Sanitary Sewer Main Replacement Crossing U.S. 101, Construction, Project 20-41, is requested to add up to \$550,000, for a not-to-exceed contract amount of \$10,368,000.

The project has sufficient funds for the recommended actions; no additional appropriation is being requested at this time.

ALTERNATIVES

1. Do not authorize the City Manager or designee to take the recommended action and direct staff to hold a contract amendment until after Council reconvenes on September 10, 2024.
2. Provide other direction.

PUBLIC NOTICING—Agenda posting.

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EA/EP/6/CAM
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204282

cc: APWD—Arango, APWD—Au, PCE—Shah, PCE—Tseng, SCE—Morales, SCE—Avramova, SMA—Doan, SMA—Goedicke, PA—Li, File (20-41)