



# COUNCIL REPORT

**DATE:** November 1, 2022

**CATEGORY:** Consent

**DEPT.:** Public Works

**TITLE:** **Sailing Lake Access Road Improvement, Construction, Project 21-53—Amend Contract and Accept Construction**

## **RECOMMENDATION**

1. Authorize the City Manager or designee to amend the construction contract with Granite Rock Company to add \$16,000 to the construction contingency for Sailing Lake Access Road Improvement, Construction, Project 21-53, for a total contract amount of \$961,400.
2. Accept Sailing Lake Access Road Improvement, Construction, Project 21-53, and authorize final contract payment.

## **BACKGROUND**

“Acceptance” of a construction contract is a legal event recognized by State law when the City verifies the contractor has satisfactorily completed a public project. Once accepted, the work on the public project is complete, and other actions occur, such as final payment to the contractor and the release of bonds obtained by the contractor that ensure completion of the project. Following acceptance, the City becomes responsible for maintenance of the public project.

On [June 22, 2021](#), the City Council approved plans and specifications for Sailing Lake Access Road Improvement, Construction, Project 21-53, and authorized award of a construction contract if the low bid was within the project budget. The contract was awarded to Granite Rock Company of San Jose at the low-bid price of \$945,400, including a \$150,000 construction contingency. The project included the following elements:

- Strengthening the embankment of the Shoreline Lake Dam and addressing seepage issues at the downstream toe of the dam to meet the California Division of Safety of Dams (DSOD) standards;

- Improving the roadway over the dam to support the anticipated heavy truckloads during construction of the Coast-Casey levee improvement, the South Bay Salt Pond Restoration project at Pond A1, and other future projects in the area as well as providing access for ongoing operations and maintenance and trail access; and
- Replacing some of the utility lines within the Sailing Lake Access Road, including landfill gas, park irrigation, and water main lines.

### **ANALYSIS**

During the course of the project, the \$150,000 construction contingency was mostly expended through three change orders that were necessary to handle additional work required by the Division of Safety of Dams inspections and unforeseen site conditions.

When the project was substantially completed, a water leak was identified in proximity to the project, which was thought to have been caused by the contractor's work. Staff requested Granite Rock to make repairs as part of the warranty of their work; however, when the leak area was excavated, it was determined that the leak was not due to the contractor's work but was from an existing water main not associated with the project. Repairing the leak was outside the scope of work for the construction contract, and the leak location was not accessible from the excavation site due to the main crossing under a large storm drain. The water main has been shut off and the excavated area restored. Staff will return with a future project to replace and relocate that section of water main. Since the leak was not caused by the contractor's work, the City needs to compensate the contractor for the excavation and restoration work related to the leak. The additional cost for this out-of-scope work exceeds the remaining construction contingency, and an additional \$16,000 is needed to pay for the final change order.

All work has been completed in accordance with the approved plans and specifications, and the Sailing Lake Access Road has been open for public use.

### **FISCAL IMPACT**

The final construction cost is approximately \$961,400, which is \$16,000 over the construction and contingency budget of \$945,400. Sailing Lake Access Road Improvement, Construction, Project 21-53, is funded with \$2,400,000 from the Shoreline Regional Park Community Fund. There is sufficient balance in the project budget for the recommended amendment to increase Granite Rock's contract by \$16,000.

The total project expenditure is estimated to be approximately \$2,000,000, including design, project administration, construction management, inspection, and other costs. Any remaining funds from the project will be returned to the Shoreline Regional Park Community Fund at project close-out.

**ALTERNATIVES**

Determine that the improvements have not been completed in conformance with City standards, and decline to accept the improvements until they are completed to the satisfaction of the City Council.

**PUBLIC NOTICING**—Agenda posting.

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