

## REPORT TO CITY COUNCIL

**DATE:** MARCH 28, 2007

**TO:** HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

**FROM:** GREG RAMIREZ, CITY MANAGER

**BY:** NATHAN HAMBURGER, ASSISTANT CITY MANAGER

**SUBJECT:** AMENDMENT TO CONSTRUCTION MANAGEMENT SERVICES CONTRACT WITH PARSONS TRANSPORTATION GROUP, INC. FOR THE U.S. 101/KANAN ROAD INTERCHANGE PROJECT

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As the U.S. 101/Kanan Road Interchange project enters the final stage of construction, an amendment to the professional services agreement with Parsons Transportation Group, Inc., is being requested.

The construction portion of the project had a timeline of approximately twelve months. As construction began in early 2006, the City was forced to work around and wait for the various utility companies to complete the undergrounding of their facilities that existed on the utility poles adjacent to Kanan Road near the U.S. 101 Freeway. From the time period of September 19 through December 15, 2006 the Contractor (Security Paving) had claims for delays as the utility relocations prevented work to be completed as scheduled. Rather than accept the delays and stop all work, the Construction Management Team (Parsons Transportation Group, Inc.) and staff established an agreement with the Contractor to work out of the original sequence and work on areas around the utility relocations. Eight of the nine utility companies completed their utility relocations by the date specified above. The remaining utility company only recently completed (January 31, 2007) the final piece of their relocation of their facilities in the “critical construction pathway” so as to allow the Contractor to work at maximum capacity.

Due to the pressing time requirements and the constant communication, coordination, and oversight required in relation to the utility relocations, the Construction Management Team was kept on the project full-time rather than cutting back on their hours due to the reduction in the construction work occurring. During this “delay” period, the Construction Management Team was required to work hands on with the various utility companies and their subcontractors to complete their work in the most expeditious manner possible. Several utility coordination meetings were held in addition to the constant contact with the design engineers and project managers from nine different utility companies.

The original contract with Parsons Transportation Group, Inc. was in an amount not-to-exceed \$1,245,000 (based on a 12-month construction schedule), which was approved by the City Council on July 26, 2005. Currently, there is approximately \$75,000 remaining on the contract which is expected to be utilized this current month. Based on the utility relocation delays

ranging over two months worth of working days, it is expected that an amount not-to-exceed \$162,000 will be needed to complete the Construction Management services for this project, which include:

- Construction Management Services through the end of May 2007
- Required Materials Testing

Due to the fact that the major construction items have been completed on the project at this point, it is anticipated that the hours of the Construction Management Team will be reduced over the next two months in an effort to keep costs at a minimum.

In order to maintain the overall project budget approved by the City Council, staff is recommending that the amount of \$162,000 be deducted from the project contingency and applied to the Construction Management Services portion of the project. Staff does not anticipate the use of the full contingency amount based on the amount and type of construction items remaining.

This item was reviewed by the Kanan Interchange Subcommittee and was recommended to be brought forth to the entire City Council for formal approval.

#### **RECOMMENDATION**

Staff respectfully recommends the City Council authorize the City Manager to execute an amendment to the Professional Services Agreement with Parsons Transportation Group, Inc., extending the contract through the end of May 2007 in an amount not to exceed \$162,000 from within the established U.S. 101/Kanan Road Interchange Project budget.