



DATE: March 14, 2017

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT I-880/SR-92 Reliever Route: Phase 1 Project – Construction Agreement Amendment

RECOMMENDATION

That Council adopts the attached resolution (Attachments II):

1. Increasing the authorized funding for the I-880/SR-92 Reliever Route Phase 1 to \$32,050,000; and
2. Authorizing the City Manager to increase the construction contingency in the contract with O.C. Jones and Sons, Inc. from \$ 1,952,957 to \$ 2,350,957 for a total construction contract amount not-to-exceed \$ 13,400,000.

BACKGROUND

Once completed, the I-880/SR-92 Reliever Route Phase 1 project will provide better access to and from the industrial area located north of State Route 92 (SR-92) and west of Interstate 880 (I-880). The project will also help relieve congestion on I-880, SR-92 and several major arterial streets, such as West Winton Avenue, Clawiter Road, Depot Road, Hesperian Boulevard, and Industrial Boulevard. Phase 2, which is a separate future project, will provide a new combined interchange at SR-92 at Whitesell Street and Clawiter Road. Phase 2 design is not scheduled and will not proceed until additional funding is identified.

On February 17, 2015, Council awarded a construction contract to O.C. Jones & Sons, Inc. for \$11,935,000. The total estimated project cost at that time was \$28,280,000. On September 20, 2016, staff informed Council that the overall project estimate had increased to \$31,607,000 and Council increased the construction contract contingency with a total construction contract amount not-to-exceed \$13,002,000.

DISCUSSION

Since the September 20, 2016 Council meeting, staff has identified additional work that was needed to complete the project as planned. This work is needed to provide an auto wrecking yard with set-back landscaping and PG&E utility service and to off-haul and replace top soil that was not suitable for the median island landscaping.

A negotiated eminent domain settlement with the Dorris family requires the City to provide certain improvements to support their southerly remainder property, some of which are based on the property owner's approved conditional use permit. The landscape improvements were not included in the construction contract because the project bid documents were prepared well before these specific conditional use permit conditions were known. Additional gas and electric utility work is necessary to provide the required service to this property.

The construction project has experienced other various challenges from unknown and/or unforeseen conditions that have caused the project to exceed the approved construction contingency budget. Additional challenges or unforeseen conditions relate to the suitability of the "native" topsoil for landscape purposes. This part of Hayward is near the Bay and has been backfilled over the years with crushed concrete and other debris. Lab testing of the native topsoil indicated that it could not be amended and that it was not suitable for landscape purposes. This material had to be off-hauled and replaced.

FISCAL IMPACT

Staff recognized the need for additional funds while preparing the FY 2017 budget. On June 28, 2016, Council appropriated an additional \$2,400,000 for the project from the Street System Improvement Fund based on a preliminary estimate of funding needs. On September 20, 2016, the overall project cost was estimated at \$31,607,000. The current overall project cost is estimated at \$32,050,000, an increase of \$ 443,000. Adequate funds are available for this increased cost in the fund balance and no additional appropriation is required.

The estimated project costs are as follows:

Description	Estimated Cost (9/20/16)	Estimated Cost Current
Preliminary Engineering & Environmental Review	\$600,000	\$600,000
Right-of-Way Acquisition	\$11,425,000	\$11,425,000
Legal Support Services	\$955,000	\$955,000
Consultant Design, Right-of-Way & Construction Support	\$3,192,000	3,100,000
Construction	\$11,049,043	\$11,049,043
Construction Contingencies	\$1,952,957	\$2,350,957
Staff Support Services (Design, R/W, and Construction Support)	\$1,800,000	\$1,870,000
Specialty, Testing, and Outside Support Services	\$633,000	\$700,000
TOTAL	\$31,607,000	\$32,050,000

Project Revenues

There has been a total of \$27,037,000 of Measure B (County-wide sales tax) funds and \$656,310 from the Water Pollution Control Facility (Fund 612), and \$4,356,690 from the Streets System Improvement fund.

A summation of revenues is noted in the table below:

Description	Revenue
Measure B Funds	\$27,037,000
Non-Potable Water Alternative from Fund 612	\$656,310
Street System Improvement Fund	\$4,356,690
TOTAL	\$32,050,000

SUSTAINABILITY FEATURES

1. Water: Installation of non-potable water utility line.

The project includes the installation of over one mile of non-potable water utility line for reclaimed water usage.

2. Transportation: Consistent with the City’s Complete Streets Policy.

This project will provide improved access in and out of industrial areas and help relieve congestion along Winton Avenue and Hesperian Boulevard by redirecting traffic on the new Whitesell Street. The project will provide complete streets including: bike lanes, ADA compliant sidewalks and curb ramps. This project will also improve traffic congestion with intersection improvements and traffic signal modifications at Winton Avenue/Hesperian Boulevard and Southland Drive/Hesperian Boulevard.

3. Environment: Applicant for Bay-Friendly Landscaping Certification & Storm Water Treatment.

This project has implemented Bay-Friendly Landscaping techniques to use native plants and climate appropriate plants for the median islands and sidewalk planters. The project will be reviewed for Bay-Friendly certification after the project is complete.

This project uses bio-swales to treat storm water runoff from the roadway and filters pollution from the storm water before entering the San Francisco Bay.

4. Energy: Installation of LED street lighting.

This project will install eighty-seven street lights with energy efficient LED lighting, providing electricity and maintenance cost savings.

PUBLIC CONTACT

No public contact has occurred associated with this action.

SCHEDULE

The project is estimated to be completed in March, 2017.

Prepared by: Yaw Owusu, Assistant City Engineer

Recommended by: Morad Fakhrai, Director of Public Works

Approved by:



Kelly McAdoo, City Manager