



Legislation Text

File #: 11-0609, Version: 1

Department of Transportation recommending the Board consider the following pertaining to the White Rock Road Widening and Signalization Project (JN 72372):

- 1) Approve and authorize the Chair to sign Contract Change Order No. 2 with Granite Construction Company in an estimated amount of \$48,044 to purchase and install traffic signal controller hardware; and
- 2) Approve the increase in the contingency budget \$40,000 by transferring funds from the approved supplemental work budget.

FUNDING: State and Local Partnership Program Grant Funds, Zone 8 Traffic Impact Mitigation Fees, split 50% up to \$1,000,000. Any costs above \$1,000,000 are not subject to State and Local Partnership Program match and would have to be fully paid by the Zone 8 Traffic Impact Mitigation Fees.

BUDGET SUMMARY:		
Total Estimated Cost		\$48,044
Funding		
Budgeted	\$48,044	
New Funding	\$	
Savings	\$	
Other	\$	
Total Funding Available	\$48,044	
Change To Net County Cost		\$0

Fiscal Impact/Change to Net County Cost:

The estimated cost of this proposed Contract Change Order (CCO) is \$48,044. Payment for this proposed CCO will come from the contingency budget for the White Rock Road Widening and Signalization Project (Project), after transferring funds from the supplemental work budget to the contingency budget.

Background:

On August 17, 2010, the Board of Supervisors (Board) authorized the Project for advertisement and directed the Department of Transportation (Department) to include wording to allow the County to delay issuance of Notice to Proceed for up to 90 days after award of contract. On September 10, 2010, the Department opened bids for the Project. The construction estimate for the Project was \$760,000, and the low bid submitted by Granite Construction Company (Granite) was \$358,358. On October 5, 2010, the Board awarded construction of the Project to Granite. As a part of the award, the Board also authorized a contingency budget of \$74,000 and a supplemental work budget of

\$56,000. Construction started on December 6, 2010, and the Project is currently expected to be completed in fall 2011.

Reason for Recommendation:

Subsequent to the award of this Project, the Department changed its policy regarding providing contractors with traffic signal controller hardware on Capital Improvement Program (CIP) projects and assisting with traffic signal activation. Past Department policy had the Department providing and installing traffic signal controller cabinets, controllers, battery backup systems, and emergency vehicle preemption systems to contractors. Past Department policy also had Department staff assisting contractors during signal activation, when a signalized intersection actually goes live for the first time. This Project's contract documents reflect past policy. The Department made a decision to change this policy and assign responsibility for this work to CIP project contractors for the following reasons:

- Troubleshooting electrical systems can be very difficult. The contractor is in direct control of constructing all other components of traffic signal systems (posts, mast arms, signal heads, conduit, wiring, etc.). The Department concluded that it is in the County's best interest to also place the signal hardware and signal activation under the direct control of the contractor, so that if any problem with the signal system surfaces, it is clearly the contractor's responsibility to diagnose and repair it, both during construction and during the post-construction warranty period.
- Traffic signal activation is often one of the last activities in a contractor's schedule, and it is almost always on a project's critical path. Any delays to a contractor's schedule associated with Department procurement of hardware or malfunctioning of hardware procured by the Department can cause the County to incur significant contractor delay cost.
- Activating a new traffic signal system while maintaining safe passage for traffic can be very complicated, especially at a large, busy, high speed intersection like White Rock Road and Windfield Way. In order to minimize the County's potential liability if a traffic accident was to occur during signal activation, the contractor must be responsible for fabricating, procuring, constructing, installing, and activating the entire signal system.

Since this Project's contract documents state that the County is to provide the traffic signal controller hardware, the proposed CCO is necessary to pay the contractor to procure the equipment and handle the signal activation per new Department policy. This CCO is before the Board because its value exceeds the delegation authority set by the Board at Project award.

The Department included approximately \$36,500 in the Project budget to allow for the County to provide the traffic signal controller hardware and to provide assistance during signal activation. The higher cost of the proposed CCO is primarily due to more expensive contractor labor required to test, burn in, install, and troubleshoot the hardware, contractually allowed markups on hardware purchased via CCO, and assumption of a significant amount of risk by the contractor as described above.

As can be seen on the attached CCO Summary and Contingency Budget Analysis, when contemplated cumulatively with other CCOs, execution of this CCO will deplete the contingency budget. Accordingly, the Department requests the Board authorize a transfer of \$40,000 from the

supplemental work budget to the contingency budget. This will leave a balance of \$16,000 in the supplemental work budget, which the Department currently believes will be adequate to fund the supplemental work.

The Department is currently investigating the possibility of adding the signalization of the intersection of White Rock Road and Post Street to this Project. If found to be feasible, the Department will return to the Board at a later date to request authority and funding.

Action to be taken following Board approval:

- 1) The Board Clerk will obtain the Chair's signature on the CCO.
- 2) The Board Clerk will forward the signed CCO to the Department for further processing.

Contact:

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