



## **AGENDA MEMO**

### **11/19/2019 Agenda**

**TO:** Honorable Mayor and City Council

**FROM:** Jacob Speer, Director of Public Works

**SUBJECT:** Change Order for the contract with John Burns Construction

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#### **BACKGROUND:**

In October 2018, Council approved a contract with John Burns Construction for the replacement of water, wastewater, and pavement in six (6) alleys and installation of a water line in Stanford from Douglas to Lomo Alto. This work was planned as part of the City's Mile-per-Year program.

The contract provided for 225 working days, essentially establishing a one-year construction period. In September, a change order added 20 working days to the contract, bringing the total number of contract days to 245. As of November 14, 2019, the City has acknowledged 204 working days for this contract.

John Burns Construction began working in the Bryn Mawr/Southwestern alley, between Douglas and Lomo Alto, on January 7, 2019. Work in that alley was completed on August 23, 2019 – a delay of 9 weeks beyond the estimated completion. Work in subsequent alleys has resulted in completion delays up to 13 weeks. The work currently underway in the Normandy/San Carlos alley is on track to be completed 15 weeks behind schedule.

John Burns has not started work in the final alley identified in the contract, the 4100 Normandy/Shenandoah alley between Preston and Douglas. Due to the substantial delays experienced by residents so far, it is staff's recommendation that this alley be removed from the scope of the contract. Estimated costs for the work in this final alley are \$690,000, or 17% of the total contract value of \$4,021,025. Staff does not recommend terminating the contract, but requiring John Burns to complete the work they already have under way, in order to finish the Normandy/San Carlos alley between Douglas and Preston and the Bryn Mawr/Hanover alley between Lomo Alto and Douglas. The completion of the remaining work will still exceed the contractual requirement as the current schedule indicates a March 2020 completion date, and liquidated damages of \$500 per day will be assessed for each calendar day in excess of the 245 contracted days.

The condition of the utilities and pavement in the 4100 Normandy/Shenandoah alley are such that staff is comfortable scheduling their replacement as part of a future project.

**RECOMMENDATION:**

Staff recommends Council approval of a change order for the John Burns Construction contract reducing the scope of work by removing the work in the 4100 block of the Normandy/Shenandoah alley, resulting in a reduction of approximately \$690,000 from the original contract.