



Folsom City Council Staff Report

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| MEETING DATE: | 3/8/2022 |
| AGENDA SECTION: | Consent Calendar |
| SUBJECT: | Resolution No. 10817 - A Resolution Authorizing the City Manager to Execute a Contract Change Order for the Oil Index Increase with Goodfellow Brothers, LLC (Contract No. 174-21 20-060) for the Capital Southeast Connector Segment D3(A), Project No. PW1607, Federal Project No. 5288(046) |
| FROM: | Public Works Department |

RECOMMENDATION / CITY COUNCIL ACTION

The Public Works Department recommends that the City Council pass and adopt Resolution No. 10817 - A Resolution Authorizing the City Manager to Execute a Contract Change Order for the Oil Index Increase with Goodfellow Brothers, LLC (Contract No. 174-21 20-060) for the Capital Southeast Connector Segment D3(A), Project No. PW1607, Federal Project No. 5288(046).

BACKGROUND / ISSUE

The planned Capital Southeast Connector is a 34-mile limited access roadway spanning from U.S. 50 at Silva Valley Parkway interchange in El Dorado County to Interstate 5 at the Hood-Franklin Interchange in Elk Grove. The Connector is planned to be constructed in segments as funding and priorities allow. Segment D3 includes the length of the Connector that borders the City of Folsom and Sacramento County from Prairie City Road to the El Dorado County Line. Segment E1 is the El Dorado County Segment that Segment D3 ties into.

Segment D3 has been further segmented into two additional segments: D3(A) and D3(B). Segment D3(A) will upgrade the existing White Rock Road to a four-lane expressway beginning near the intersection of Prairie City Road and continuing through the intersection of East Bidwell Street. The project involves constructing four lanes between these two major intersections, including a bridge over Alder Creek. The bridge also serves as a “wildlife crossing,” as contemplated in the South Sacramento Habitat Conservation Plan.

The project is a complete reconstruction that will create a new alignment of White Rock Road adjacent and immediately south of the existing White Rock Road. The existing White Rock Road will remain open to traffic during construction. The project was initially designed to include a Class 1 Bike Trail and interconnection between traffic signals. These two items of work had been removed from the project due to funding constraints.

The City of Folsom is leading the construction of this project on behalf of the Capital Southeast Connector Joint Powers Authority (JPA) and in collaboration with Sacramento County.

The City has secured State Transportation Block Grant Program (STBG) and SB1 funding from Sacramento Area Council of Governments (SACOG) in partnership with the Capital Southeast Connector JPA. A request for authorization to proceed with construction was submitted to Caltrans on May 15, 2020. The Authorization to Proceed (E-76) was received on June 25, 2020, and the subsequent Supplemental Agreement was received on August 8, 2020.

Per contract Special Provision Section 9-1.07, payment adjustments for Price Index Fluctuations are allowed for asphalt binder oil based on the published Caltrans Statewide Crude Oil Price Index. At bid time the index was 227.8. The Southeast Connector paving dates from July through December shows the Oil Index range was 373.7 to 456.2 where the difference between the index at the time of paving compared to the index at the bid opening provides the value needed to calculate the compensation. The additional cost per this change order is \$354,766.26. It is expected that additional compensation will be required after the final paving is complete. In the event that the index is lower than the index on the day of bid opening the City would be due a credit.

POLICY / RULE

Section 2.36.080 of the Folsom Municipal Code states, in part, that contracts for supplies, equipment, services, and construction with an estimated value of \$66,141 or greater shall be awarded by the City Council.

ANALYSIS

This project was publicly advertised on July 13, 2020, and bids were opened publicly on September 9, 2020, at 2:00 p.m. in the City Council Chamber.

Six bids were received with Goodfellow Brothers, LLC being the lowest responsive responsible bid as follows:

| Contractor | Ranking | Bid Amount |
|--------------------------|-----------------------------------|-----------------|
| Goodfellow Brothers, LLC | Lowest Responsive Responsible Bid | \$22,368,765.00 |

The Lowest Responsive Responsible Bid Proposal provided by Goodfellow Brothers, LLC was reviewed by staff and found to be in good order.

FINANCIAL IMPACT

The Capital Southeast Connector Segment D3(A) is eligible to receive funds from FAST Act funding based on a SACOG Regional Surface Transportation Program Grant and SB-1 Funding. Funding for construction and construction engineering is shown below:

| Fund | Fund Type | Amount |
|---------------------------------|---|--------------|
| FAST Act | Surface Transportation Block Grant to match SB-1 Funding 1 to 1 at \$10,000,000 | \$15,000,000 |
| SB1 | Competitive | \$10,000,000 |
| Local Transportation Fund (446) | To match Surface Transportation Block Grant of \$15,000,000 at 11.47% | \$1,720,500 |
| Local Transportation Fund (446) | To Cover Balance of Project Funding | \$1,195,147 |
| | Project Budget for Construction | \$27,915,396 |

The FAST Act funding requires a local match of 11.47%. The Transportation Fund (Fund 446) will be utilized to meet the required match of \$1,720,500. The SB1 funding requires a 100% match, of which \$10,000,000 of the FAST Act funding will be utilized as the match.

The agreement with Goodfellow previously approved is in the amount of \$22,368,765 with a budgeted contingency of \$2,236,876.50 (10%) for a total contract budget amount of \$24,605,641.50.

The contract costs for construction and construction management have been previously approved by City Council in separate resolutions as follows:

| Company | Description | Cost |
|--------------------------|--|-----------------|
| Goodfellow Brothers, LLC | Construction | \$22,368,765.00 |
| | 10% Contingency for Construction | \$2,236,876.50 |
| Salaber Associates, Inc. | Construction Engineering, Inspection and Materials Testing | \$2,992,848.00 |
| Dokken Engineering, Inc. | Design Support and Environmental Services | \$317,157.28 |
| | Project Budget for Construction | \$27,915,647.78 |

The Contract Change Order for the changes in the Oil Index will utilize the existing Contingency in the amount of \$354,766.26. The current contingency utilized including this request is \$1,828,652.78, leaving a balance of \$408,223.72. No adjustments to the project budget will be required.

ENVIRONMENTAL REVIEW

In 2016 the Capital Southeast Connector JPA approved a California Environmental Quality Act (CEQA) Tiered Initial Study with Mitigated Negative Declaration for the Capital Southeast Connector Segment D3/E1.

Caltrans approved the National Environmental Policy Act (NEPA) Categorical Exclusion for Segment D3/E1.

The project is not located in an environmentally sensitive area and would not result in potential impacts to the environment, including traffic, noise, air quality and water quality.

ATTACHMENT

Resolution No. 10817 - A Resolution Authorizing the City Manager to Execute a Contract Change Order for the Oil Index Increase with Goodfellow Brothers, LLC (Contract No. 174-21 20-060) for the Capital Southeast Connector Segment D3(A), Project No. PW1607, Federal Project No. 5288(046)

Submitted,

Mark Rackovan, PUBLIC WORKS DIRECTOR

RESOLUTION NO. 10817

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT CHANGE ORDER FOR THE OIL INDEX INCREASE WITH GOODFELLOW BROTHERS, LLC (CONTRACT NO. 174-21 20-060) FOR THE CAPITAL SOUTHEAST CONNECTOR SEGMENT D3(A), PROJECT NO. PW1607, FEDERAL PROJECT NO. 5288(046)

WHEREAS, the Capital SouthEast Connector Project is the Sacramento region's largest single transportation project; and

WHEREAS, the City of Folsom is a Member Jurisdiction of the Capital SouthEast Connector Joint Powers Authority and will implement the Project; and

WHEREAS, the Capital SouthEast Connector Project has, to date, been funded primarily through a Sacramento County sales-tax measure approved in 2004 by 75 percent of voters; and

WHEREAS, the Capital SouthEast Connector Project has established a program development budget that requires the use of Federal and State funds to advance the project towards timely construction; and

WHEREAS, the City of Folsom desires to construct the Capital SouthEast Connector Project Segment D3(A) along the City's border to four lanes with two eight-foot shoulders; and

WHEREAS, the City of Folsom received Surface Transportation Block Grant Program funding, and is eligible for federal reimbursement, up to \$15,000,000; and

WHEREAS, the City of Folsom received SB-1 funding, and is eligible for state reimbursement up to \$10,000,000; and

WHEREAS, this project was publicly advertised on July 13, 2020, with six bids received on September 9, 2020, with Goodfellow Brothers, LLC being the lowest responsive responsible bidder; and

WHEREAS, the City of Folsom entered into a contract with Goodfellow Brothers, LLC for construction of the Capital SouthEast Connector Segment D3(A); and

WHEREAS, a Contract Change Order will be utilized to compensate Goodfellow Brothers, LLC for adjustments in Caltrans Statewide Crude Oil Price Index; and

WHEREAS, the cost of changes to the Caltrans Statewide Crude Oil Price Index of \$354,766.26 is within the existing project budget contingency; and

WHEREAS, the agreement will be in a form acceptable to the City Attorney:

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the City Manager to Execute a Contract Change Order for the Oil Index Increase with Goodfellow Brothers, LLC (Contract No. 174-21 20-060) for the Capital SouthEast Connector Segment D3(A), Project No. PW1607, Federal Project No. 5288(046), in the amount of \$354,766.26.

PASSED AND ADOPTED this 8th day of March 2022, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

Kerri M. Howell, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK