



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** PUBLIC WORKS

**File #:** 24-150

Board Meeting Date: 2/27/2024

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**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** Ann M. Stillman, Director of Public Works

**Subject:** **Measure K:** Increase the Not-to-Exceed Amount of the Agreement with Granite Rock Company for the Middlefield Road Improvement Project in the North Fair Oaks Area [County Project No. OD420, Project File No. E4931]

### **RECOMMENDATION:**

**Measure K:** Adopt a resolution increasing the Director of Public Works' authority to execute change orders to the construction agreement with Granite Rock Company, for the Middlefield Road Improvement Project in the North Fair Oaks Area, to increase the not-to-exceed amount of \$26,444,550 by an additional amount of \$2,500,000 to a new not-to-exceed amount of \$28,944,550.

### **BACKGROUND:**

On October 20, 2020, this Board adopted Resolution No. 077819, which adopted plans and specifications, including conformance with general prevailing wages, as established by the Department of Industrial Relations, in the locality in which said work is to be performed for each type of workman needed to execute the contract and calling for sealed bids for the Middlefield Road Improvement Project (Project).

On February 9, 2021, this Board adopted Resolution No. 078007, which authorized an agreement with Granite Rock Company (Graniterock) for construction of the Project in the amount of \$19,131,379 and authorized the Director of Public Works to execute contract change orders to grant time extensions for project completion and payment up to a maximum agreement amount not to exceed \$21,044,550.

On November 1, 2022, this Board adopted Resolution No. 079277, which increased the not-to-exceed amount of the agreement with Graniterock for construction of the Project in the amount of \$2,500,000 and authorized the Director of Public Works to execute contract change orders and payment up to a maximum agreement amount not to exceed \$23,544,550.

On September 12, 2023, this Board adopted Resolution No. 079923, which increased the not-to-exceed amount of the agreement with Graniterock for construction of the Project in the amount of \$2,900,000 and authorized the Director of Public Works to execute contract change orders and

payment up to a maximum agreement amount not to exceed \$26,444,550.

**DISCUSSION:**

The Project has achieved significant milestones, including completion of sanitary sewer replacement, sidewalk widening and majority of roadway reconstruction and striping. However, the Project includes installing six large diameter pipes (casings) under the railroad facilities that cross Middlefield Road, to house sanitary sewer pipes and electrical/fiber/communications facilities. These installations at the railroad have proven to be very complex in nature due to constructability and coordination issues.

During one of the casing installations an unmarked Caltrain fiber optic line was encountered and damaged. The Project requires close coordination with multiple agencies and at the railroad crossing, the coordination includes: Union Pacific Railroad (UPRR), UPRR's consultant, the Joint Powers Board, SamTrans, and Caltrain. Additionally, Project work at the railroad crossing requires the continuous presence of an observer and flagger, which must be scheduled with and provided by UPRR's consultant and SamTrans. Any delays due to unanticipated conflicts during the jack and bore operation to install the casings inevitably prolongs the presence of these personnel, the Project duration, and increases the cost to the Project. Consequently, these unforeseen challenges have led to a revised completion date of Spring 2024 and the current "not-to-exceed" amount of the agreement being insufficient to appropriately compensate Graniterock for the Project based on the following factors:

The Project continues to use a Time and Materials (T&A) method of payment, including the jack and bore work and several bid items in connection with the railroad crossing. The construction duration for the Sanitary Sewer jack and bore exceeded initial projections due to a design conflict. This necessitated a design modification to accommodate a new manhole, consequently extending the 24-hour bypass pumping operation and staff hours for observation and flagging purposes. The anticipated cost escalation for this specific work is estimated to be approximately \$500,000. This cost will be reimbursed by the Fair Oaks Sewer Maintenance District

The Project has faced numerous challenges during the jack and bore process for the joint trench, leading to substantial delays. These hurdles include the scheduling of UPRR flaggers and observers, unexpected encounters with an unmarked Caltrain fiber optic cable, repairing and restoring a 6-inch Caltrain fiber line, and extensive coordination required between UPRR and Caltrain to resolve this conflict. The projected cost increase for this particular work is estimated to be approximately \$1,800,000.

In order to expedite the roadway paving on the Project from 6th Avenue to Pacific Avenue and minimize disruption to local businesses, this paving was performed during nighttime hours. The paving occurred over six nights with additional costs incurred such as additional lighting, traffic control, detours, extra cost for the asphalt concrete plant to operate at night, additional staffing hours, and other necessary measures. The increased cost for this night paving is approximately \$100,000.

As the Project continues through another winter and rainy season, we anticipate additional costs for winterization that were not factored during the bid process. The increased cost for this is approximately \$100,000.

The Department recommends that this Board consider these unanticipated conditions and the

identified future work for this Project, and approve the recommended contract increase amount to facilitate completion of the Project. Construction issues or conflicts arise during construction, which must be addressed immediately to keep the Project moving forward. In some cases, these issues require additional compensation. The Department is working diligently through construction of the Project to minimize additional costs and develop solutions that are timely, effective, and financially responsible.

County Attorney has reviewed and approved the resolution as to form.

**FISCAL IMPACT:**

The new not-to-exceed amount of Granite Rock Company construction contract is \$28,944,550. The recommended increase of the Project contract by \$2,500,000 will allow for payment to the Contractor for the above-described unanticipated work.

Several of the additional costs as identified above are shared between various utilities and funding sources. The Department will seek reimbursement of these costs based on existing cost share agreements.