

**CITY OF TEMECULA
AGENDA REPORT**

TO: City Manager/City Council

FROM: Patrick Thomas, Director of Public Works/City Engineer

DATE: August 27, 2019

SUBJECT: Approve the Contingency Increase for Overland Drive Extension, PW16-06

PREPARED BY: Kendra Hannah-Meistrell, Senior Civil Engineer – CIP
Chris White, Associate Engineer II - CIP

RECOMMENDATION: That the City Council:

1. Approve an increase to the project contingency in the amount of \$57,657.23 for the Overland Drive Extension, PW16-06;
2. Increase the City Manager change orders approval authority in the amount of \$57,657.23.

BACKGROUND: On September 5, 2017, the City Council awarded a Construction Contract to Kaveh Engineering & Construction, Inc., in the amount of \$844,949, and authorized the City Manager to approve change orders not to exceed a 10% contingency of \$84,494.90, to complete the Overland Drive Extension, PW16-06 project.

The extension of Overland Drive to connect Commerce Center Drive and Enterprise Circle West, included the demolition of two existing building, the removal and relocation of existing utilities, grading, construction of roadway pavement section, sidewalk, ADA ramps, traffic signing and striping, landscaping and irrigation.

During construction placement of additional asphalt concrete and relocation and replacement of an existing detector check and fire hydrant assembly were necessary. The cost of these additions exceeded the remaining contingency amount and necessitates an increase to the contingency. This step is necessary in order to compensate the contractor for outstanding change orders.

FISCAL IMPACT: The Overland Drive Extension (Commerce Center Drive to Enterprise Circle) was identified in the City's Capital Improvement Program Budget for Fiscal Year 2018-22. It was funded with Development Impact Fees (DIF), Street Improvements, and General Fund. The original Contract amount was \$844,949.00, the approved contract change orders and remaining contingency total \$84,494.90, and with the contingency increase of \$57,657.23, the total project cost is \$987,101.13. There are sufficient funds available in the account to cover the contingency increase request.

ATTACHMENTS:

1. Project Description
2. Project Location Map