

**CITY OF TEMECULA
AGENDA REPORT**

TO: City Manager/City Council

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

DATE: January 28, 2020

SUBJECT: Approve Contingency Increase to Construction Contract with Ortiz Enterprises, Inc. for the Interstate 15 / State Route 79 South Ultimate Interchange, PW04-08

PREPARED BY: Amer Attar, Principal Civil Engineer
Avlin R. Odviar, Senior Civil Engineer

RECOMMENDATION: That the City Council:

1. Approve an increase to the contingency of the construction contract with Ortiz Enterprises, Inc. for the Interstate 15 / State Route 79 South Interchange, PW04-08, in the amount of \$100,000;
2. Increase the City Manager's authorization to approve change orders in the amount of \$100,000.

BACKGROUND: On April 25, 2017, the City Council awarded a construction contract to Ortiz Enterprises, Inc. in the amount of \$23,633,248.90, and authorized the City Manager to approve change orders up to the amount of \$2,363,324.89, to construct the Interstate 15 / State Route 79 South Ultimate Interchange project, PW04-08.

The project included the demolition of a gas station and removal of underground storage tanks, relocation of power, water, and sewer utilities, construction of freeway, ramp, and roadway realignments, widening, and rehabilitation, traffic signal and lighting systems, drainage systems, and replacement landscaping and irrigation.

At the completion of construction, Caltrans conducted its review of all as-built improvements. Per protocol, several Caltrans functional units composed of staff members that were not involved in the design/development of the project were called upon to walk the job site and make observations, suggestions, and recommendations of the finished product with a "fresh set of eyes." The units include: Safety Committee, Traffic Operations, Traffic Electrical, Construction, Landscape Maintenance, and Maintenance.

Upon completion of the field review, the members of these Caltrans functional units requested a number of modifications. The cost to construct these modifications and additional improvements exceeds the remaining contingency and therefore necessitates an increase. These improvements must be implemented to the satisfaction of Caltrans prior to their acceptance of the project.

FISCAL IMPACT: The Interstate 15 / State Route 79 South Ultimate Interchange project is included in the City's Capital Improvement Program, Fiscal Year 2020-24. The sources of funds for construction include the Safe, Accountable, Flexible, Efficient, Transportation Equity Act – Legacy for Users (SAFETEA-LU), Surface Transportation Program (STP), Senate Bill 621, Transportation Uniform Mitigation Fee (TUMF) pursuant to Agreement Nos. 11-72-041-00 and 13-SW-TEM-1163. Reimbursement by RCWD and EMWD is pursuant to Utility Agreements UA 23316 and UA 23317, respectively. There are sufficient funds available in the project account to cover the contingency increase of \$100,000.00.

ATTACHMENTS:

1. Project Location
2. Project Description