

# Closeout Change Order

## 25<sup>th</sup> Avenue Grade Separation Project 17-J-C-048



# Project Background



- The Project was awarded in 2017 to Shimmick/Disney JV (SDJV) at a total contract value of \$82.89 million, as part of an overall Project Budget of \$180 million inclusive of District and other costs
- In February 2021, the JPB Board approved resetting the Project Budget to \$205.9 million, inclusive of contingency, based on several issues and remaining risks faced by the Project
- Additional costs to finish the Project were contemplated in the new budget at that time
- A strengthened Project Team led by a new Project Manager has since been managing completion of the Project to that budget
- This current proposed change order is the result of the effort to thereby close out the Contract with SDJV within budget

# Project Status



- The Project has reached substantial completion with all SDJV work, including “punchlist” work, now completed

# Change Orders and Claims



- Previous change orders were issued to SDJV for various design changes, differing site conditions and utility conflicts but did not include compensation for subcontractor labor and material escalation as well as for new field instructions from JPB to resolve various issues
- In addition, over the last few months, SDJV filed claims based on their view of additional Time-Related Overhead incurred as well as costs incurred by them which they claim were due to inefficiencies in completing additional work

# Close-Out Negotiations

- In order to avoid additional administrative and overhead costs and stay within budget, the Project team engaged SDJV in a series of negotiations with the goal of agreeing on a comprehensive close out settlement agreement
- Following a comprehensive exchange of information and clarifications, a series of negotiation sessions were held between March 31, 2022 and May 3, 2022
- JPB requested and received from SDJV additional requested documentation and analysis to justify their claims

# Contract Settlement



- A final agreement was reached whereby SDJV and JPB agreed on a significant reduction in total additional payment due to the Contractor
- The proposed change order will be for the value of \$5,774,764.15
- The proposed settlement and change order will result in the Project staying within budget
- No change in funding (from San Mateo TA, City of San Mateo, HSR, and Caltrans via the CPUC Section 190 Grade Separation Program) is proposed and no JPB funds will be required

# Recommendation

- Approve the issuance of Contract Change Order #244 (Project Wide Global Settlement) totaling \$5,774,764.15.
- This will keep the Project within budget and eliminate exposure to any additional construction costs and unnecessary overhead costs.