

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works	(2) MEETING DATE 6/19/2012	(3) CONTACT/PHONE Michael Britton, Project Manager (805) 788-2318	
(4) SUBJECT Request to approve a modification to the existing contract with Souza Construction, Inc., for the Bridge Widening on Price Canyon Road near Edna, CA, Contract Nos. 300126, 300360, 300361; Federal Project Nos. HP21L-5949(126), BHL-5949(092) & BHL-5949(063).			
(5) RECOMMENDED ACTION In accordance with applicable State Law, it is our recommendation that your Honorable Board: 1. Approve the attached Change Orders to modify the contract retention from 10% to 5% for the existing contract with Souza Construction, Inc. for the Bridge Widening on Price Canyon Road near Edna, California, Contract Nos. 300136, 300360, 300361; Federal Project Nos. HP21L-5949(126), BHL-5949(062) & BHL-5949(063); and 2. Authorize the Director of Public Works, or his designee, to sign the Change Orders.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT N/A	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? N/A
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Board Business (Time Est. _____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A		(12) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(13) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(14) W-9 <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	
(15) LOCATION MAP Attached	(16) BUSINESS IMPACT STATEMENT? No	(17) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date 2/28/12; Item No. 21	
(18) ADMINISTRATIVE OFFICE REVIEW  <i>Nikki J. Schmidt</i>			
(19) SUPERVISOR DISTRICT(S) District 3 -			

Reference: 12JUN19-C-3

# County of San Luis Obispo



TO: Board of Supervisors

FROM: Public Works  
Michael Britton, Project Manager

VIA: Dave Flynn, Deputy Director of Public Works

DATE: 6/19/2012

SUBJECT: Request to approve a modification to the existing contract with Souza Construction, Inc., for the Bridge Widening on Price Canyon Road near Edna, CA, Contract Nos. 300126, 300360, 300361; Federal Project Nos. HP21L-5949(126), BHL-5949(092) & BHL-5949(063).

## **RECOMMENDATION**

In accordance with applicable State Law, it is our recommendation that your Honorable Board:

1. Approve the attached Change Orders to modify the contract retention from 10% to 5% for the existing contract with Souza Construction, Inc. for the Bridge Widening on Price Canyon Road near Edna, California, Contract Nos. 300136, 300360, 300361; Federal Project Nos. HP21L-5949(126), BHL-5949(062) & BHL-5949(063); and
2. Authorize the Director of Public Works, or his designee, to sign the Change Orders.

## **DISCUSSION**

On January 1, 2012, the Public Contract Code, specifically § 7201 (b) (1), revised the maximum amount of retention that could be withheld from a Contractor to ensure a project is completed in its entirety. Prior to January 1, 2012, retention was allowed up to 10% of the total contract price. As of January 1, 2012, maximum retention on a contract is 5% without a finding that the project is substantially complex. The Department cannot substantiate a higher retention, thus our recommendation to reduce the retention rate to 5%.

The Price Canyon Bridge Widening contract was prepared in the fall of 2011 and presented to your Board on November 15, 2011. Bids were opened on December 15, 2011; however, due to UDBE compliance issues, was not awarded by your Board until February 28, 2012.

Department Staff have reviewed the implications of the modification and, with concurrence from County Counsel, have determined the change in state codes requires a change to the contract. By approving the modification of the retention clause, the contract becomes consistent with current State Law.

## **OTHER AGENCY INVOLVEMENT/IMPACT**

This project is funded by the Federal Highway Administration's (FHWA) Highway Bridge Program, as administered by Caltrans Local Assistance. Funding is also processed through the San Luis Council of Governments (SLOCOG). This funding requires the County to advertise, award, and administer the construction contract in accordance with the Local Assistance Procedures Manual and FHWA program requirements, and consistent with the State Public Contract Code.

County Counsel has reviewed the revised codes and recommendation.

## **FINANCIAL CONSIDERATIONS**

This contract modification will have no impact on the cost of the project.

## **RESULTS**

The recommended action will revise the contract language to comply with the Public Contract Code, allow for proper contract administration of this highway safety project, and will result in a safer, more livable community.

c:     Accounting Officer  
       Resident Engineer  
       Construction Engineer  
       Souza Construction, Inc., Contractor

File:   Contract Nos. 300136, 300360, 300361

Reference:   12JUN19-C-3

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## **ATTACHMENTS**

1.   Vicinity Map
2.   Contract Change Order No. 4 (300136)
3.   Contract Change Order No. 4 (300360)
4.   Contract Change Order No. 4 (300361)