

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

(1) DEPARTMENT Public Works	(2) MEETING DATE 12/3/2013	(3) CONTACT/PHONE Eric Laurie, Project Manager (805) 788-2758	
(4) SUBJECT Request authorization to approve Contract Change Order Nos. 2, 3, 4, and 5 to the agreement with Andrew Brown General Engineering, Inc. for the Water Distribution System Upgrades, County Service Area 10A, Cayucos and authorization of a budget adjustment, by a 4/5th's vote, in the amount of \$73,000 to increase the construction and construction support funding. District 2.			
(5) RECOMMENDED ACTION In accordance with applicable State Law, it is our recommendation that your Honorable Board: <ol style="list-style-type: none"> <li>1. Authorize approval of Contract Change Order (CCO) Nos. 2, 3, 4, and 5 to the Agreement with Andrew Brown General Engineering, Inc. for the Water Distribution System Upgrades, County Service Area 10A, Cayucos (No. 300383), up to an amount of \$102,000; and</li> <li>2. Authorize a budget adjustment, by a 4/5<sup>th</sup>'s vote, in the amount of \$73,000 to increase the construction and construction support funding for this project; and</li> <li>3. Direct the Director of Public Works, or his designee, to execute and process final Contract Change Orders 2, 3, 4, and 5.</li> </ol>			
(6) FUNDING SOURCE(S) USDA Loan	(7) CURRENT YEAR FINANCIAL IMPACT Estimated Project Cost = \$1,125,000	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(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) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) 19001353		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: 1314076 <input checked="" type="checkbox"/> 4/5 Vote Required <input type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A    Date: 6/18/2013, # 32	
(17) ADMINISTRATIVE OFFICE REVIEW <i>Nikki J. Schmidt</i>			
(18) SUPERVISOR DISTRICT(S) District 2 -			

Reference: 13DEC03-C-4

# County of San Luis Obispo



TO: Board of Supervisors  
FROM: Public Works  
Eric Laurie, Project Manager  
VIA: Dean Benedix, Utilities Division Manager  
DATE: 12/3/2013

SUBJECT: Request authorization to approve Contract Change Order Nos. 2, 3, 4, and 5 to the agreement with Andrew Brown General Engineering, Inc. for the Water Distribution System Upgrades, County Service Area 10A, Cayucos and authorization of a budget adjustment, by a 4/5th's vote, in the amount of \$73,000 to increase the construction and construction support funding. District 2.

## **RECOMMENDATION**

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

1. Authorize approval of Contract Change Order (CCO) Nos. 2, 3, 4, and 5 to the Agreement with Andrew Brown General Engineering, Inc. for the Water Distribution System Upgrades, County Service Area 10A, Cayucos (No. 300383), up to an amount of \$102,000; and
2. Authorize a budget adjustment, by a 4/5<sup>th</sup>'s vote, in the amount of \$73,000 to increase the construction and construction support funding for this project; and
3. Direct the Director of Public Works, or his designee, to execute and process final Contract Change Orders 2, 3, 4, and 5.

## **DISCUSSION**

This project consists of water system improvements necessary to supply the residents of CSA 10A with fire flows able to meet California Fire Code requirements. These upgrades entail upsizing 3,800 linear feet of undersized 4-inch distribution waterlines in Richard Avenue, Stuart Avenue, and Shearer Avenue, to 8-inch pipeline.

On June 18, 2013, your Honorable Board awarded the subject contract to Andrew Brown General Engineering, Inc., with a total contract amount of \$613,421. The construction budget approved by your Board also included a \$50,000 allotment for Supplemental Traffic Control and \$55,000 in contingencies, for a total of \$105,000. These funds designated for change orders associated with unforeseen conditions and for potential additional quantities in connection with project construction.

During construction of the improvements, field conditions have required revisions to the contract plans. In particular, there has been insufficient information on the location of the existing waterline and conflicts with other underground utilities. These existing underground utility conflicts required additional excavation and resulted in realignment of several areas of the new waterline improvements. These reconfigurations resulted in delays in construction, additional work by the Contractor, and additional County staff time to inspect and manage the prolonged construction. As a result, additional costs will be incurred. The contingency budgeted for the project is not adequate to cover these additional costs and it is expected that the construction budget will need to be supplemented by \$23,000.

Under Public Contract Code Section 20142 and based on the size of this construction project, it is necessary for your Board to approve change orders when they exceed a total of \$40,421. The estimated total cost for all necessary change orders is \$128,000. The additional \$23,000 requested will supplement the \$105,000 available to fund the change orders.

Contract Change Order 1 has already been approved and issued, to cover additional potholing costs of \$26,000.

Contract Change Order's 2, 3, 4, and 5 cover the estimated cost increases to compensate the Contractor for furnishing and installing additional pipe and fittings, and additional paving associated with reconfiguration of the waterline. The final CCO documents will be based on the changes defined in the various Work Change Directives, attached (Clerk's File), and final value based on Contractor work effort and compensation terms in the contract.

The following CCO's will require approval:

<b>CCO No.</b>	<b>Description</b>	<b>Estimated Cost</b>
CCO 2	Shearer Avenue Reconfigurations	\$25,000
CCO 3	Richard & Stuart Ave Modifications/Temp. Service	\$50,000
CCO 4	Modifications to Service Laterals	\$3,000
CCO 5	Additional Trench Paving	\$24,000
<b>TOTAL</b>		<b>\$102,000</b>

To address the field conditions associated with CCO 2 to CCO 5, additional County staff time has been incurred. Approximately \$50,000 in additional funding is necessary to cover staff expenses, as well as establish a contingency budget for unforeseen conditions within the remainder of the project.

**OTHER AGENCY INVOLVEMENT/IMPACT**

The project is made possible with funding from a United States Department of Agriculture (USDA) Rural Development low-interest loan. The Contract Change Orders are also reviewed by USDA as the funding agency.

The Cayucos Citizens Advisory Committee has been involved in the development and prioritizing of the capital improvement program.

## **FINANCIAL CONSIDERATIONS**

This is a multi-year project budgeted in County Service Area 10A – Cayucos Water Budget - WBS 300383, in the amount of \$1,052,000. The total costs to construct this project are estimated at \$1,125,000. These estimated project costs are greater than originally budgeted by \$73,000. These are due to unforeseen change orders and construction staff support. Funding for this project will be from a low-interest United States Department of Agriculture loan. Water rates in CSA 10A were increased in 2012 in order to repay the USDA loan.

It is necessary for Your Honorable Board to authorize a budget adjustment, in the amount of \$73,000, by a 4/5th's vote to increase the appropriation and the associated funding for this project.

Please see Exhibit "A" for an estimated cost breakdown of the project.

## **RESULTS**

Approval of the recommended actions authorizes the implementation and payment for the recommended improvements and repairs, to conform to state statutes. Completion of the required work will upgrade the waterline infrastructure, thereby contributing to a safe, healthy, livable, and well-governed community in Cayucos.

File: Contract No. 300383

Reference: 13DEC03-C-4

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## **ATTACHMENTS**

1. Vicinity Map
2. Exhibit A - Project Cost Estimates
3. Work Change Directive No. 2
4. Work Change Directive No. 3
5. Work Change Directive No. 4
6. Work Change Directive No. 6
7. Work Change Directive No. 7