

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

(1) DEPARTMENT Public Works	(2) MEETING DATE 12/2/2014	(3) CONTACT/PHONE Jeff Werst, Design Division Manager (805) 781-4480	
(4) SUBJECT Letter transmitting plans and specifications (Clerk's File) for Nacimiento Water Project Nacimiento River Crossing Pipe Repair, for Board approval and advertisement for construction bids; approve revisions to District Bid Protest Rules; and find that the project is exempt from Section 21000 et seq. of the California Public Resources Code (CEQA). Bid opening date set for Monday, December 22, 2014. All Districts.			
(5) RECOMMENDED ACTION In accordance with applicable State Law, it is our recommendation that the Board, acting as the Board of Supervisors of the San Luis Obispo County Flood Control and Water Conservation District: <ol style="list-style-type: none"> 1. Approve the project and adopt the plans and specifications for the construction of Nacimiento Water Project Nacimiento River Crossing Pipe Repair , Contract No. 300529; 2. Authorize the contract to be advertised for construction bids. The recommended bid opening date is Monday, December 22, 2014; 3. Provide the Public Works Director, or his designee, the discretion to extend the bid opening date to a date deemed more appropriate by the Director or his designee, so long as any such extension is in compliance with all applicable laws; 4. Approve the attached revised "Rules Governing Bid Protests and Other Challenges to Awards of Construction Contracts" for this specific contract advertisement; and 5. Find that the project is exempt from Section 21000 et seq. of the California Public Resources Code (CEQA). 			
(6) FUNDING SOURCE(S) Nacimiento Water Project Fund (2200001000)	(7) CURRENT YEAR FINANCIAL IMPACT \$1,609,000	(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 checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: 11/25/14, #26	
(17) ADMINISTRATIVE OFFICE REVIEW Emily Jackson			
(18) SUPERVISOR DISTRICT(S) All Districts			

Reference: 14DEC02-C-5

County of San Luis Obispo



TO: Board of Supervisors

FROM: Public Works
Jeff Werst, Design Division Manager
Scott Duffield, Project Manager

VIA: Dave Flynn, Deputy Director of Public Works

DATE: 12/2/2014

SUBJECT: Letter transmitting plans and specifications (Clerk's File) for Nacimiento Water Project Nacimiento River Crossing Pipe Repair, for Board approval and advertisement for construction bids; approve revisions to District Bid Protest Rules; and find that the project is exempt from Section 21000 et seq. of the California Public Resources Code (CEQA). Bid opening date set for Monday, December 22, 2014. All Districts.

RECOMMENDATION

In accordance with applicable State Law, it is our recommendation that the Board, acting as the Board of Supervisors of the San Luis Obispo County Flood Control and Water Conservation District:

1. Approve the project and adopt the plans and specifications for the construction of Nacimiento Water Project Nacimiento River Crossing Pipe Repair , Contract No. 300529;
2. Authorize the contract to be advertised for construction bids. The recommended bid opening date is Monday, December 22, 2014;
3. Provide the Public Works Director, or his designee, the discretion to extend the bid opening date to a date deemed more appropriate by the Director or his designee, so long as any such extension is in compliance with all applicable laws;
4. Approve the attached revised "Rules Governing Bid Protests and Other Challenges to Awards of Construction Contracts" for this specific contract advertisement; and
5. Find that the project is exempt from Section 21000 et seq. of the California Public Resources Code (CEQA).

DISCUSSION

On June 2, 2014, the Nacimiento water pipeline was shut down due to a leak that was discovered in a remote section of Camp Roberts near the Nacimiento River. On July 8, 2014, your Board adopted a resolution which waived the requirement of a competitive bidding process to allow emergency work on the Nacimiento water pipeline, and authorized the Director of Public Works to execute sole source

contracts for said emergency work. Similar resolutions have been adopted by your Board at intervals of no less than fourteen days or at the next regularly scheduled meeting, whichever is later, in accordance with Public Contract Code Section 22050 to assure that the actions are necessary.

After the initial leak was discovered in early June, numerous additional leaks were discovered. These failures in the pipe demonstrate that the condition of the pipe is not one that would be suitable for trying to do a “patch repair” for each separate leak. (See attached November 17, 2014 letter from Public Works to Teichert Construction Company.) Therefore, the recommended repair method set forth in the plans and specifications is the slip lining of a smaller diameter pipe within the existing pipe.

Although the Nacimiento Water Project (NWP) provides a supplemental water source to numerous participating agencies throughout the region, the drought conditions in San Luis Obispo County have further stressed the primary sources of available water and underscored the importance of having Nacimiento water available. The timely repair of the Nacimiento water pipeline and restoration of water deliveries to the participating agencies for distribution to their customers continues to be extremely urgent.

Time is therefore of the essence for advertisement of the pipe repair contract for construction bids, awarding the contract, and completing construction of the Nacimiento River Crossing Pipe Repair Project in order to bring the NWP facility back into service by the beginning of April, 2015. Pursuant to this, in addition to the typically specified liquidated damages assessed if contract working days are exceeded by the Contractor, the construction contract also includes provisions for incentive for construction completion ahead of the contract working days. Additionally, in order to minimize the time between approval of the contract for advertisement for construction bids and issuance of the Notice to Proceed to the Contractor, following are proposed deviations from the Public Works Department’s typical formal bidding procedures:

1. Conduct a three-week advertisement period, rather than the usual four-week period, and open bids on Monday, rather than the current practice of opening bids on Thursday;
2. Amend the “Rules Governing Bid Protests and Other Challenges to Construction Contracts,” to tighten the protest period and process, including requiring bid protests to be submitted within 5 business days after bid opening, and shortening the process and time for getting to final determination of bid responsiveness by the Public Works Director;
3. Require the successful bidder to submit the executed contract, bonds and insurance no later than 5th business day after receipt of written notice of award, rather than the typical allowance of two weeks for submittal;
4. In addition to the assessment of liquidated damages for the contractor’s delays in completing the contract, include an incentive for early completion of the contract.

Revision to the Bid Protest Policy

On October 22, 2013, the Board of Supervisors of the San Luis Obispo County Flood Control and Water Conservation District established a Board approved policy entitled “Bid Protests and other Challenges to Awards of Construction Contracts.” Subsequent to the Board’s approval of the policy, staff worked with County Counsel to develop a document which complies with the policy and includes

language tailored to the Public Works Department. The document, "Rules Governing Bid Protests and Other Challenges to Awards of Construction Contracts," has been included with each of our construction contracts that have been brought to your Board for adoption and approval for advertisement since the policy was approved. In consideration of the time constraints for awarding the construction contract, it is recommended that requirements for the protest period and process of the Bid Protest Policy be amended, including requiring bid protests to be submitted within 5 business days after bid opening, and simplifying the process and time for getting to final determination of bid responsiveness by the Public Works Director. The proposed amendments have been discussed with County Counsel and are reflected as "indicated revisions" in the attached "Rules Governing Bid Protests and Other Challenges to Awards of Construction Contracts," and will apply to this contract advertisement only.

OTHER AGENCY INVOLVEMENT/IMPACT

The Nacimiento participating agencies that receive Nacimiento water for distribution to their customers include the City of Paso Robles, Templeton Community Services District, Atascadero Mutual Water Company, the City of San Luis Obispo, and County Service Area 10A. The Nacimiento Commission and Nacimiento Technical Support Group support the forensic investigation, repairing the leaking locations, and restoring the pipeline to delivery service.

At their November 20, 2014 meeting, the Nacimiento Commission approved forwarding a recommendation to the Board of Supervisors that the District advertise for construction bids for the Nacimiento River Crossing Pipe Repair project.

The Office of County Counsel has reviewed and approved the attached resolutions and contract as to legal form and effect.

The County Environmental Coordinator has reviewed the project and determined that it is exempt from the requirements of the California Public Resource Code (CEQA).

FINANCIAL CONSIDERATIONS

The Nacimiento River Crossing Pipe Repair project is being paid from construction fund savings and participating agencies and is budgeted in the FY 2014-2015 Nacimiento Water Project Fund. Ultimately the District will be seeking full reimbursement of these costs from the original Pipeline Contractor, Teichert Construction, and will then credit the participating agencies when reimbursement is received. The total project costs are estimated at \$1,609,000.

At the time of Award, when actual project costs are known, we will return to the Board with a budget adjustment, if necessary.

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

RESULTS

Approval of the recommended action will result in this project being advertised for construction bids. This will lead to a safer and well-governed community.

File: Contract No. 300529

Reference: 14DEC02-C-5

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ATTACHMENTS

1. Vicinity Map
2. Exhibit A - Project Cost Estimates
3. Letter to Teichert Construction
4. Rules Governing Bid Protests and Other Challenges to Awards of Construction Contracts
5. Notice of Exemption (CEQA)
6. Plans and Specifications