

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

(1) DEPARTMENT Public Works	(2) MEETING DATE 4/5/2016	(3) CONTACT/PHONE Jeff Lee, Project Manager (805) 781-1043	
(4) SUBJECT Request to: 1) adopt a resolution authorizing execution of notice of completion and acceptance for the construction of County Service Area (CSA) 23 / Atascadero Mutual Water Company (AMWC) / Garden Farms Community Water District (CWD), Emergency Intertie Project; and 2) approve Construction Contract Change Order No. 3, in the amount of \$122,286, and direct Public Works Director to process; and 3) approve and execute the attached Amendment No. 2 to the agreement for professional engineering services with HDR Engineering, Inc. dated May 5, 2015 in the amount of \$9,600 to provide construction management services. District 5.			
(5) RECOMMENDED ACTION It is recommended that the Board, acting as the San Luis Obispo County Flood Control and Water Conservation District (District); <ol style="list-style-type: none"> 1. Adopt the attached resolution which authorizes the execution and acceptance of a notice of completion of the Construction of CSA 23 / AMWC / Garden Farms CWD, Emergency Intertie Project, (Contract No. 300536); and 2. Approve Construction Contract Change Order No. 3, with CalPortland Construction for the CSA 23 / AMWC / Garden Farms CWD, Emergency Intertie Contract, in the amount of \$122,286.20 and direct Public Works Director to process; and 3. Approve and execute the attached Amendment No. 2 to the agreement for professional engineering services with HDR Engineering, Inc. dated May 5, 2015 in the amount of \$9,600.00 to provide construction management services. 			
(6) FUNDING SOURCE(S) San Luis Obispo Flood Control and Water Conservation District fund 1300000000	(7) CURRENT YEAR FINANCIAL IMPACT \$131,886.00	(8) ANNUAL FINANCIAL IMPACT N/A	(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 checked="" type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) CalPortland 19001624, HDR 19001625		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <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: 9/9/14, #24; 5/15/15, #2; 12/2/14, #18; 5/5/15, #16; 3/10/15, #1; 6/16/15, #43; 1/6/15, #22	
(17) ADMINISTRATIVE OFFICE REVIEW David E. Grim			
(18) SUPERVISOR DISTRICT(S) District 5			

Reference: 16APR05-C-9

County of San Luis Obispo



TO: Board of Supervisors
FROM: Public Works
Jeff Lee, Project Manager
VIA: Dave O'Halloran, Construction Division Manager
DATE: 4/5/2016

SUBJECT: Request to: 1) adopt a resolution authorizing execution of notice of completion and acceptance for the construction of County Service Area (CSA) 23 / Atascadero Mutual Water Company (AMWC) / Garden Farms Community Water District (CWD), Emergency Intertie Project; and 2) approve Construction Contract Change Order No. 3, in the amount of \$122,286, and direct Public Works Director to process; and 3) approve and execute the attached Amendment No. 2 to the agreement for professional engineering services with HDR Engineering, Inc. dated May 5, 2015 in the amount of \$9,600 to provide construction management services. District 5.

RECOMMENDATION

It is recommended that the Board, acting as the San Luis Obispo County Flood Control and Water Conservation District (District);

1. Adopt the attached resolution which authorizes the execution and acceptance of a notice of completion of the Construction of CSA 23 / AMWC / Garden Farms CWD, Emergency Intertie Project, (Contract No. 300536); and
2. Approve Construction Contract Change Order No. 3, with CalPortland Construction for the CSA 23 / AMWC / Garden Farms CWD, Emergency Intertie Contract, in the amount of \$122,286.20 and direct Public Works Director to process; and
3. Approve and execute the attached Amendment No. 2 to the agreement for professional engineering services with HDR Engineering, Inc. dated May 5, 2015 in the amount of \$9,600.00 to provide construction management services.

DISCUSSION

a) Project Background Information

On January 17, 2014, Governor Edmund G. Brown Jr. proclaimed a State of Emergency as a result of the multi-year drought. On March 11, 2014, the Board of Supervisors proclaimed a State of Emergency for the County of San Luis Obispo. The intertie project was included in the San Luis Obispo County Regional Water Management Group (RWMG) Drought Grant application through the California Department of Water Resources (DWR) Integrated Regional Water Management (IRWM) Proposition 84 (Prop 84) Drought Grant program. The Intertie Project was allocated \$1,542,970 in DWR Grant Funds, with a required local match funding obtained in the form of a \$500,000 USDA Emergency Community Water Assistance Grant (ECWAG), for a total project value of \$2,048,000.

The Intertie Project will provide an emergency source of water to Santa Margarita in the event of drought or other emergency by construction of the 2.5 mile, 8-inch pipeline along El Camino Real. The project interconnects the Santa Margarita (CSA 23), AMWC and Garden Farms CWD water systems. The connections will give CSA 23 access to additional water supply sources that can provide system redundancy and supplement or supply drinking water in the event of drought or emergency.

On June 16, 2016 the Board awarded a construction contract to CalPortland Construction. In the amount of \$1,096,557 with a contingency authorization of \$109,655. Which allowed for a total construction budget of \$1,206,212.

During construction of the improvements, conditions have required revisions to the contract plans and constructed improvements. Under Public Contract Code (PCC) section 20142 and the adopted County Contract Change Order Policy, the Board of Supervisors may authorize the Public Works Director or his designee to approve, in writing, change orders. A construction contract change order or aggregate of multiple change orders for this project is limited by PCC 20142 to no more than \$67,328. The total cost for change orders Nos. 1-3 is \$144,696.20. Change Orders 1-2 have already been approved and issued under authority of the Director of Public Works. Change Order No. 3 will exceed change order authority and therefore requires approval from the Board.

b) Contract Change Order

The contract requires a change order to reconcile quantity overruns of the engineer estimate. Quantities for aggregate base under the contract were insufficient to restore the roadway as shown on the approved plans. Change Order No. 3 provides compensation to the contractor for the bid items in excess of 125 percent. The total amount of Change Order No. 3 is an increase of \$122,286.20.

The Contract Change Orders (CCO) and costs are described below:

CCO No.	Description	Estimated Cost
CCO 1	Temporary Road Widening	\$ 19,910.00
CCO 2	Storm Drain Interference	\$ 2,500.00
CCO 3	Bid Item Overruns	\$ 122,286.20
TOTAL		\$ 144,696.20

The total construction project costs (including change orders 1-3) are estimated at \$1,241,253.20 which is below the engineer's estimate of \$1,474,640.

c) Construction Management Contract

On May 5, 2015, your Board authorized a Professional Engineering Services agreement with HDR Engineering, Inc. for construction management, engineering, inspection and materials testing for the Project in the amount of \$153,988 and authorized the Public Works Director to sign amendments to the Agreement in an amount not to exceed \$15,400. During project construction additional effort, outside the original scope of work, was necessary to complete the project on schedule. These efforts included additional construction meetings, contractor oversight, and operational testing as requested by the County and required by the funding agencies. Since the amount of Amendment No. 2 would exceed the authority of the Director, it recommended that the Board approve and execute Amendment No. 2, increasing the total agreement cost to \$178,988.

OTHER AGENCY INVOLVEMENT/IMPACT

The Department of Water Resources and the United States Department of Agriculture (USDA) are responsible for administering their respective grant programs and have been involved in project development to ensure compliance with grant requirements.

Atascadero Mutual Water Company and Garden Farms CWD own and operate their respective water systems and have expressed written support of the Intertie Project. On October 6, 2015, the Board approved the Emergency Water Supply Agreement that established parameters under which the CSA 23 Intertie Project would operate, if necessary.

The stakeholders, along with the CSA 23 Advisory Group, are periodically updated on the project status and support implementation of the Intertie Project with Prop 84 and USDA grant funding.

FINANCIAL CONSIDERATIONS

This project is budgeted in the San Luis Obispo Flood Control & Water Conservation District Budget, Fund 1300000000, at \$2,048,000. The estimated total cost of the project is \$1,883,975. Estimated project costs are expected to be under the total budgeted amount by \$164,025. The savings is anticipated to be moved within the Grant funded projects to take full benefit of the granting funds.

A final report of actual project costs will be filed in the Public Works Department after any and all claims, disputes and adjustments have been resolved. We do not anticipate the final project costs to differ materially from the current estimated total. Five percent (5%) of total contractor payments are held by the County and released only after meeting the legal holding period after the Notice of Completion is filed.

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

RESULTS

By taking the recommended action, your Board will cause the legal Notice of Completion for this construction contract to be recorded, and start the period of time during which liens can be filed by subcontractors against the prime contractor. With approval of the recommended actions. This project will be completed and available for the communities' use, thereby contributing to the County's goals of providing a safe and livable community.

ATTACHMENTS

1. Vicinity Map
2. Exhibit A – Project Cost Estimates
3. Resolution Authorizing Execution of Notice of Completion and Acceptance for the CSA 23 / AMWC / Garden Farms Community Service District Emergency Intertie Project Santa Margarita
4. Notice of Completion and Acceptance
5. Contract Change Order #3
6. Amendment No. 2 to Agreement for Professional Engineering Services

File: Contract No. 300536

Reference: 16APR05-C-9

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