

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

(1) DEPARTMENT Public Works	(2) MEETING DATE 4/3/2012	(3) CONTACT/PHONE Jeff Werst, Design Division Manager (805) 781-4480	
(4) SUBJECT Letter transmitting Plans and Specifications (Clerk's File) for the Los Osos Wastewater Project, Collection System Areas A & D, Los Osos, CA, Contract No. 300448.08.01.AD for Board approval and advertisement for construction bids and a resolution approving the Project's construction change order policy.			
(5) RECOMMENDED ACTION In accordance with applicable State Law, it is our recommendation that your Honorable Board: <ol style="list-style-type: none"> 1. Approve the project and adopt the plans and specifications for the construction of the Los Osos Wastewater Project, Collection System Areas A & D, Los Osos, CA, Contract No. 300448.08.01.AD; and 2. Authorize the contract to be advertised for construction bids. The recommended bid opening date is Thursday, May 10, 2012; and 3. Provide the Public Works Director, or his designee, the discretion to extend the bid opening date under California Public Contract Code - Section 4104.5; and 4. Adopt the attached resolution approving a Construction Change Order Policy for this project. 			
(6) FUNDING SOURCE(S) Fund Center 430	(7) CURRENT YEAR FINANCIAL IMPACT \$26,247,700.00	(8) ANNUAL FINANCIAL IMPACT N/A	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. _____) <input checked="" type="checkbox"/> Board Business (Time Est. 60 min _____)			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input 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 3/20/12, Item 18	
(18) ADMINISTRATIVE OFFICE REVIEW <i>Nikki J. Schmidt</i>			
(19) SUPERVISOR DISTRICT(S) District 2 -			

Reference: 12APR03-C-6

County of San Luis Obispo



TO: Board of Supervisors

FROM: Public Works

Jeff Werst, Design Division Manager

John Waddell, Los Osos Wastewater Project Manager

VIA: Dave Flynn, Deputy Director of Public Works

DATE: 4/3/2012

SUBJECT: Letter transmitting Plans and Specifications (Clerk's File) for the Los Osos Wastewater Project, Collection System Areas A & D, Los Osos, CA, Contract No. 300448.08.01.AD for Board approval and advertisement for construction bids and a resolution approving the Project's construction change order policy.

RECOMMENDATION

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

1. Approve the project and adopt the plans and specifications for the construction of the Los Osos Wastewater Project, Collection System Areas A & D, Los Osos, CA, Contract No. 300448.08.01.AD; and
2. Authorize the contract to be advertised for construction bids. The recommended bid opening date is Thursday, May 10, 2012; and
3. Provide the Public Works Director, or his designee, the discretion to extend the bid opening date under California Public Contract Code - Section 4104.5; and
4. Adopt the attached resolution approving a Construction Change Order Policy for this project.

DISCUSSION

On September 20, 2006, California State Governor Arnold Schwarzenegger signed Assembly Bill 2701 (Blakeslee) which allowed the County, at the Board's discretion, to assume responsibility for development of a wastewater project (Project) for the community of Los Osos. Since 2006, environmental permits and funding approvals have been obtained, and on March 15, 2011, your Board adopted the Due Diligence resolution to assume responsibility for the Project and proceed to Project completion. The adoption of the Due Diligence resolution predicated your Board's action on May 17, 2011 to approve the \$173 million Project budget. The budget includes a \$22 million interim funding loan, which has repaid the County's loans to the Project since 2006 and is funding the remaining pre-construction efforts.

In conjunction with your Board's approval of the Project budget on May 17, 2011, an agreement with Camp Dresser and McKee (CDM) was approved for the final design of the Project collection system. The collection system design was subsequently divided into three bid packages for three separate construction contracts. CDM has completed the engineering design and specifications for Collection System Areas A & D which include the numbered street areas of Baywood Park, north of Los Osos Valley Road and between South Bay Boulevard and Bush Drive. The pipelines and facilities in Areas A & D will be constructed on the same schedule as the other areas of the collection system and the pump stations with an anticipated completion date of June 2014. The two remaining collection system contracts are scheduled for your Board's approval and advertisement within the next several weeks.

These contract plans and specifications prepared by CDM have been completed to the satisfaction of the Department of Public Works and it is our recommendation that your Board approve the project for Collection System Areas A & D by adopting these plans and specifications. Additionally, it is our recommendation that your Board authorize that a contract be advertised for construction bids on these adopted plans and specifications, with a bid opening date of Thursday, May 10, 2012.

Approve Construction Change Order Policy

The attached resolution will establish a change order policy for the Collection System Project, including subsequent construction contracts. Public Works staff recommends this policy, given the size and scope of construction contract and contingency amounts. Authority to approve change orders has been delegated to the Public Works Director, pursuant to the Public Contract Code. The attached resolution and exhibit limits the delegation of authority by your Board for approval of contract change orders, and describes the parameters within which the authority may be exercised.

The resolution authorizes the Director of Public Works or his designee to approve individual Construction Contract Change Orders up to \$150,000, so long as any change or addition is deemed consistent with the proper completion of the project under the sound discretion of the Director of Public Works or his designee, and so long as the change or addition does not exceed the maximum dollar amount allowed under Public Contracts Code Section 20142. Individual change orders of over \$150,000.00 require a written recommendation from the Project Construction Manager, a written recommendation from the Public Works Director or his designee and authorization from the Board of Supervisors.

OTHER AGENCY INVOLVEMENT/IMPACT

The U.S. Department of Agriculture (USDA) and State Water Board are jointly financing the Project and provide oversight of engineering and consulting agreements and construction contracts. Numerous other federal, state and local agencies are involved in the project. County Counsel has reviewed this item and is in concurrence with our recommendations.

FINANCIAL CONSIDERATIONS

Collection and Recycled Water design and construction is budgeted in the Capital Project Budget for the Los Osos Wastewater Project at \$103.5 million. The estimated cost of this contract is \$26,247,700 and is included in the overall budget approved by your Board on May 17, 2011.

Refer to attached 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, which continues the progress toward a community wastewater project for Los Osos. Completion of the Project will contribute to the County's goal of providing a safe and healthy community.

File: Contract No. 300448.08.01

Reference: 12APR03-C-6

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ATTACHMENTS

1. Vicinity Map
2. Exhibit A - Project Cost Estimates
3. Plans and Specifications
4. Resolution for Contract Change Order Policy