



Monterey County

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Board Report

Legistar File Number: 18-491

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Introduced: 4/27/2018

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Matter Type: General Agenda Item

- a. Approve issuance of Change Order 18 for plumbing material changes to Zovich Construction, Inc. on the New Juvenile Hall Project, Project No. 8811, Bid Package No. 10590 in the amount of \$590,000 and authorizing the execution by the County.
- b. Approve issuance of Change Order 19 for additional foundation work to Zovich Construction, Inc. on the New Juvenile Hall Project, Project No. 8811, Bid Package No. 10590 in the amount of \$935,000 and authorizing the execution by the County.
- c. Authorize the Director of the Resource Management Agency to execute Change Orders 18 and 19 to Zovich Construction, Inc. for the New Juvenile Hall Project, Project No. 8811, Bid Package 10590.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve issuance of Change Order 18 for plumbing material changes to Zovich Construction, Inc. on the New Juvenile Hall Project, Project No. 8811, Bid Package No. 10590 in the amount of \$590,000 and authorizing the execution by the County.
- b. Approve issuance of Change Order 19 for additional foundation work to Zovich Construction, Inc. on the New Juvenile Hall Project, Project No. 8811, Bid Package No. 10590 in the amount of \$935,000 and authorizing the execution by the County.
- c. Authorize the Director of the Resource Management Agency to execute Change Orders 18 and 19 to Zovich Construction, Inc. for the New Juvenile Hall Project, Project No. 8811, Bid Package 10590.

SUMMARY:

On March 28, 2017 passed Resolution 17-094 approving the award of the New Juvenile Hall Project, Project No. 8811, Bid Package 10590 (the "Contract") to the Zovich & Sons Inc., dba Zovich Construction. Resolution 17-094 further authorized the RMA Deputy Director of Public Works to execute individuals change orders of up to \$150,000 so long as the total aggregate amount of individual change orders does not exceed \$2,171,250. The total aggregate amount of all previously approved change orders in addition to the amounts for Change Order 18 and Change Order 19 do not exceed the \$2,171,250 limitation. The Contract requires that Change Orders exceeding \$150,000 require approval by the Board of Supervisors. Staff is seeking Board of Supervisors approval of Change Order 18 (\$590,000) & Change Order 19 (935,000) to the Contract. These change orders are the result of the contractor's contentions regarding conflicts in the bid documents and miss direction by the Architect during the submittal review process.

DISCUSSION:

Change Order 18 would compensate the contractor for additional cost to use cast iron pipe in lieu of plastic pipe listed in the construction documents (specifications). The contractor was directed by the architect to use cast iron pipe in their markups of the contractor's submittals and the contractor proceeded to order all cast iron pipe and submitted a request for additional cost as a result of the direction given. The contractor requested \$803,097 in additional material cost and labor, this was negotiated to a final cost of \$590,000 and is intended to be inclusive of all potential impacts, inefficiencies, or other delay related costs.

Change Order 19 would compensate the contractor for additional cost for increased foundation work associated with the contractor's contention that caisson installation was more complicated than expected due to a higher water table and lack of adequate or consistent information between the bid documents and the soil borings causing additional work and equipment for the contractor. The contractor requested \$1,345,000 in additional material cost and labor, this was negotiated to a final cost of \$935,000 and is intended to be inclusive of all potential impacts, inefficiencies, or other delay related costs.

OTHER AGENCY INVOLVEMENT:

RMA-Public Works coordinated with Monterey County Probation Office and County Administrative Office to move the Project forward in construction and continues to work jointly with the Board of State and Community Corrections (BSCC) to meet all State-mandated milestones to maintain the conditional award of the Project.

FINANCING:

Project financing consists of Lease Revenue Bonds from the State (\$35M) with a local match of \$23M (General Fund). The New Juvenile Hall Project was awarded to Zovich Construction, Inc in the amount of \$43,175,000 with a contingency amount of \$4,317,500 for a total construction budget of \$47,492,500. Presently the project has issued change orders in the amount of \$229,272.68, with the addition of Change Order 18 and Change Order 19 the amount increases to \$1,754,272.68 leaving a contingency balance of \$2,563,234.32.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

This project supports the Board of Supervisors Strategic Initiatives in the areas of: 1) Health and Human Services by promoting the physical and mental wellbeing of youth in juvenile institutions; 2) Infrastructure by building a modern and more efficient juvenile facility; and 3) Public Safety by providing a safe and secure environment for youth in custody.

☐ Economic Development

☐ Administration

☒ Health & Human Services

☒ Infrastructure

☒ Public Safety

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Approved by: Carl Holm, AICP, RMA Director

The following attachments are on file with the Clerk of Board:

Attachment A - Change Order 18

Attachment B - Change Order 19