



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: 14-697, **Version:** 1

Acting on behalf of County Service Area No. 75 Chualar:

- a. Authorize the Resource Management Agency Director of Public Works to approve Change Order No. 3 in an amount not to exceed \$45,000 to Contract No. A-12438 with the Don Chapin Company, Inc. for the Chualar Sanitary Sewer Rehabilitation Project No. 093-45 (4/5th vote required); and
- b. Authorize an increase of \$5,990 to the contract contingencies corresponding to 10% of the original contract value for a total contingency of \$11,980. (Revised via Additions and Corrections)

RECOMMENDATION:

It is recommended that the Board of Supervisors, acting on behalf of County Service Area No. 75 Chualar:

- a. Authorize the Resource Management Agency Director of Public Works to approve Change Order No. 3 in an amount not to exceed \$45,000 to Contract No. A-12438 with the Don Chapin Company, Inc. for the Chualar Sanitary Sewer Rehabilitation Project No. 093-45 (4/5 vote required.)
- b. Authorize an increase of \$5,990 to the contract contingencies corresponding to 10% of the original contract value for a total contingency of \$11,980.

SUMMARY:

The recommended actions will allow RMA-Public Works (RMA-PW) to negotiate an amendment to Contract A-12438 with The Don Chapin Company, Inc. for the Chualar Sanitary Sewer Rehabilitation, Project No. 093-45 (Project) increasing the scope of work and contract value with the contractor for work associated with field conditions to replace the wet well cover and provide protective improvements for the new emergency back-up generator for an amount not to exceed \$45,000. The total cost of the change orders exceeds the previously authorized ten percent contingency amount. California Public Contract Code Section 20137 provides that contract change orders that alter the contract scope and exceed ten percent of the contract value require 4/5ths vote of the Board of Supervisors.

DISCUSSION:

On March 19, 2013, the Board of Supervisors approved a list of recommended project allocations, which included a \$200,000 funding request for improvements to the Chualar Sanitary Sewer System. The Chualar Sanitary Sewer improvements consist primarily of three components: Sewer Rehabilitation; Replacement of a Monitoring Well; and Purchase and installation of an emergency backup generator. On April 22, 2014, the Board awarded the Chualar Sewer Rehabilitation contract to The Don Chapin Company, Inc. (Contractor), the lowest responsive and responsible bidder, in the amount of \$59,900. The Board's action included establishment of a contingency budget in the amount of \$5,990. Contract work began in May 2014.

Field conditions encountered differ from historic record drawings and the project drawings and required issuance of change orders to compensate for additional work. The Director of Public Works has approved to date Change Orders Nos. 1 and 2 as previously authorized by the Board.

Change Order No. 3 is needed for the replacement of the wet well cover and to install bollards and sidewalk to

protect the emergency backup generator equipment. This additional work alters the scope of work and exceeds ten percent of the original contract value. The estimated cost of the change order is \$45,000. The total cost of the change order exceeds the previously authorized ten percent contingency amount. California Public Contract Code Section 20137 provides that contract change orders that alter the contract scope and exceed ten percent of the contract value require 4/5ths vote of the Board of Supervisors.

This change order benefits from advantageous bid prices and is consistent with the intent and scope of work for the project as reviewed by the Economic Development Department.

The additional contingency is requested to provide for additional change orders in the event that these become necessary while completing the additional work.

OTHER AGENCY INVOLVEMENT:

Economic Development Department staff reviewed the suggested changes for consistency with Community Block Grant Program requirements.

FINANCING:

There is no impact to the General Fund. Change Order No. 3 will increase the project costs by an amount not to exceed \$45,000 from \$59,500 to not exceed \$104,900 and project contingencies from \$5,990 to \$11,980. In November 2012, the County of Monterey received notification of Urban County Status for entitlement purposes by the U. S. Department of Housing and Urban Development (HUD) for participation in the Community Block Grant Program for Fiscal Years (FY) 2013-2015. Sufficient funds have been appropriated in FY 2013-14 within the Economic Development Department Fund 013-1070-8200, as well as in the FY 2014-15 Adopted Budget for the project costs anticipated to be completed in FY 2014-15.

Prepared by: Dirk J. Medema, P.E., (831) 784-5647

Approved by:

Robert K. Murdoch, P.E., Director of Public Works

Approved by:

Benny J. Young, RMA Director

Dated: June 12, 2014

Attachments: Contract A-12438; Attachment A Summary of Change Order No. 3; CDBG Projects Budget; Location Map (Attachments on file with the Clerk of the Board)