

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

March 29, 2022

FROM

DON DAY, Director, Project and Facilities Management Department

SUBJECT

Change Order to the Construction Contract with Hamel Contracting Inc. for the Fleet Management Fuel Tank Infrastructure Phase III Project

RECOMMENDATION(S)

Approve **Change Order No.1** to **Contract No. 21-975** with Hamel Contracting Inc. in the amount of \$41,406, increasing the contract from \$680,008 to a total of \$721,414, for the Fleet Management Fuel Tank Infrastructure Phase III Project, located at 15000 Tokay Street in Victorville (Four votes required).

(Presenter: Don Day, Director, 387-5000)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Improve County Government Operations.

Operate in a Fiscally-Responsible and Business-Like Manner

FINANCIAL IMPACT

Approval of this Item will not result in the use of Discretionary General Funding (Net County Cost). The Fuel Tank Infrastructure Phase III Project (Project) budget of \$1,000,000 is funded from the Fleet Management Department (Fleet) Internal Service Fund Retained Earnings and was included as part of the 2021-22 Capital Improvement Program (CIP) budget. There are sufficient funds in the Project budget to fund the \$41,406 cost of this change order.

BACKGROUND INFORMATION

On July 13, 2021 (Item No. 43), the Board of Supervisors (Board) approved Real Estate Services Department-Project Management (RES-D-PM) to advertise for competitive bids for the Project. On December 7, 2021 (Item No. 54), the Board approved to award a Construction Contract to Hamel Contracting, Inc. (Hamel) for the Project in Victorville, which included Addendum Nos. 1 and 2, as part of the plans and specifications. Project will install two 10,000-gallon fuel tanks, one with diesel fuel and one with unleaded fuel, adjacent to the High Desert Fleet Services Center to serve County employees that work in and around the High Desert area.

Change Order No. 1 will allow the **Project and Facilities Management Department (PFMD), formerly known as RES-D-PM**, to compensate Hamel for additional unforeseen material costs for the new fuel tanks system, caused by changed economic conditions including inflation and supply chain issues related to the COVID-19 pandemic and discontinued dispenser model identified in the specifications. Hamel's Proposed Change Orders (PCOs) Nos. 1 and 2 are addressed, in their entirety, by the recommended Change Order No. 1.

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A summary of the original contract, amendment and change order is as follows:

Date	Description	Change Amount	Amount
12-7-2021	Original Contract		\$680,008
1-11-2022 1-31-2022	Change Order No. 1: Additional cost 4.5% over original contract and dispenser model discontinued [Request for Information (RFI) No. 4]	\$41,406	
	Total amount of revised contract		\$721,414

This Project is consistent with County Administrative Office approved CIP Request No. 20-030.

PROCUREMENT

On July 13, 2021 (Item No. 43), the Board authorized RESD-PM, to advertise for competitive bids for the Project. RESD-PM advertised for bids in the Daily Press on July 16, 2021, and on the County Electronic Procurement Network (ePro).

On December 7, 2021 (Item No.54), as a result of a successful competitive bid process, the Board authorized RESD-PM to award Hamel of Murrieta, California a construction contract in the amount of \$680,008 for the Fleet Project. The unanticipated additional costs in this change order are related to escalation in material costs, after the competitive bid process, due to changed economic conditions including inflation and supply chain issues and a discontinued dispenser model identified in the specifications.

Per Public Contract Code sections 20136, Board approval is required for the change order to the contract with Hamel.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Katherine Hardy, Deputy County Counsel, 387-5455) on February 7, 2022; Fleet Management (Ron Lindsey, Director, 387-7870) on February 16, 2022; Purchasing Department (Bruce Cole, Supervising Buyer, 387-2148) on February 15, 2022; **Project and Facilities Management Department** (Don Day, Director, 387-5000) on March 1, 2022; Finance (Carl Lofton, Administrative Analyst, 387-5404) on March 14, 2022; and County Finance and Administration (Diana Atkeson, Deputy Executive Officer, 387-4376) on March 14, 2022.

(BL: 361-7215)

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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Joe Baca, Jr. Seconded: Dawn Rowe
Ayes: Col. Paul Cook (Ret.), Janice Rutherford, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: March 29, 2022



cc: PFMD- Day w/agree
Contractor- C/O PFMD w/agree
File- w/agree
LA 03/31/2022