REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS OF BOARD GOVERNED COUNTY SERVICE AREAS AND RECORD OF ACTION

November 19, 2024

<u>FROM</u> NOEL CASTILLO, Director, Department of Public Works – Special Districts

SUBJECT

Amendment to Construction Contracts for Various County Service Area Projects

RECOMMENDATION(S)

- Acting as the governing body of the County Service Area 29 Lucerne Valley, approve Amendment No. 1 to Contract No. 24-1032 with Preferred General Services for the County Service Area 29 Lucerne Valley – Community Center Renovation Project, increasing the contract amount by \$59,057, from \$590,578 to \$649,635, and amending the contract's Special Conditions to establish a supplemental force account for extra work required due to unforeseen and differing site conditions (Four votes required).
- 2. Acting as the governing body of the County Service Area 70 M Wonder Valley, approve Amendment No. 1 to Contract No. 24-695 with KNC Construction, Inc. for the County Service Area 70M Wonder Valley Community Center Upgrade Project, increasing the contract amount by \$33,392, from \$333,928 to \$367,320, and amending the contract's Special Conditions to establish a supplemental force account for extra work required due to unforeseen and differing site conditions (Four votes required).
- Acting as the governing body of the County Service Area 82 Searles Valley, approve Amendment No. 1 to Contract No. 24-696 with WEKA, Inc. for the County Service Area 82 Searles Valley – Sewer Improvement Project, increasing the contract amount by \$410,122, from \$4,101,226 to \$4,511,348, and amending the contract's Special Conditions to establish a supplemental force account for extra work required due to unforeseen and differing site conditions (Four votes required).

(Presenter: Noel Castillo, Director, 387-7906)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Ensure Development of a Well-Planned, Balanced, and Sustainable County. Provide for the Safety, Health and Social Service Needs of County Residents.

FINANCIAL IMPACT

Approval of these items will not result in the use of Discretionary General Funding (Net County Cost). On June 27, 2023 (Item No. 127), the Board of Supervisors (Board) approved an allocation of \$940,086 from the American Rescue Plan Act (ARPA) Coronavirus Local Fiscal Recovery Fund (CLFRF) for eligible costs of the County Service Area (CSA) 29 Lucerne Valley – Community Center Renovation Project (Lucerne Valley Project). The total allocation of \$940,086 includes \$649,635 for construction and construction contingency, and \$290,451 for project management, design services, inspection services and other related costs. Sufficient appropriation and revenue for the CSA 29Project are included in the CSA 29 Lucerne Valley's 2024-25 budget and will be included in future recommended budgets as needed.

On January 24, 2023 (Item No. 65), the Board approved the use of \$325,000 from the County's ARPA CLFRF for eligible costs of the CSA 70 M Wonder Valley – Community Center Upgrades Project (Wonder Valley Project).

On March 26, 2024 (Item No. 73), the Board approved an additional \$174,650 ARPA CLFRF for the Wonder Valley Project.

On August 6, 2024 (Item No. 60), the Board approved an additional \$191,000 of ARPA CLFRF, bringing the total the Wonder Valley Project budget to \$690,650. The total Wonder Valley Project allocation of \$690,650 includes \$367,320 for construction and construction contingency, and \$323,330 for project management, design services, inspection services and other related costs. Sufficient appropriation and revenue for the CSA 70 M Wonder Valley Project is included in the CSA 70 M Wonder Valley's 2024-25 budget and will be included in future recommended budgets as needed.

On March 28, 2023 (Item No. 65), the Board approved the use of \$6,034,682 from the County's ARPA CLFRF for eligible costs of the CSA 82 Searles Valley – Sewer Improvement Project (Searles Valley Project). The total allocation of \$6,034,682 includes \$4,511,348 for construction and construction contingency, and \$1,523,334 for project management, design services, inspection services and other related costs. Sufficient appropriation and revenue for the CSA 82 Searles Valley Project is included in the CSA 82 Searles Valley's 2024-25 budget and will be included in future recommended budgets as needed.

BACKGROUND INFORMATION

Approval of this item will authorize amendments to three contracts to establish a supplemental force account (Force Account) for each project. The Force Account will provide an allowance funding for unanticipated, unforeseen differing site, building conditions, and site hazardous materials. Expenditures from this allowance will be managed and administered pursuant to an amendment to the contract's Special Conditions which shall establish a supplemental force account for extra work required due to unforeseen and differing site conditions. The unforeseen and different site conditions are unknown at this time as the force account is an allowance to be used in the case these occur during construction. If these conditions do not occur, then the Force Account will not be used. Under the Public Contract Code Section 20137, the Board may authorize changes or alternations to construction contracts that increase costs, up to ten percent of the original contract amount, upon a four-fifths vote. Approval of this item will amend the following contracts:

On November 5, 2024 (Item 51), the Board approved Contract No. 24-1032 with Preferred General Services for \$590,578. Recommendation No. 1 proposes an increase of \$59,057, raising the contract total to \$649,635, with no extension of the construction schedule. This adjustment allows for additional project flexibility and compensation for potential cost increases due to unforeseen or differing site conditions.

On August 6, 2024 (Item No. 60), the Board approved Contract No. 24-695 with KNC Construction, Inc. for \$333,928. Recommendation No. 2 proposes an increase of \$33,392, raising the contract total to \$367,320, with no extension of the construction schedule. This adjustment allows for additional project flexibility and compensation for potential cost increases due to unforeseen or differing site conditions.

On August 6, 2024 (Item No. 52), the Board approved Contract No. 24-696 with WEKA, Inc. for \$4,101,226. Recommendation No. 3 proposes an increase of \$410,122, raising the contract total to \$4,511,348, with no extension of the construction schedule. This adjustment allows for additional project flexibility and compensation for potential cost increases due to unforeseen or differing site conditions.

These amendments are to ensure project flexibility and adequate funding for adjustments due to unforeseen and differing site conditions while adhering to the requirements of the Public Contract Code.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Sophie Curtis, Deputy County Counsel, 387-5455) on October 30, 2024; Finance (Jessica Trillo, Administrative Analyst, 387-4222, and Guy Martinez, ARPA Compliance Officer, 387-5428) on November 1, 2024; and County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5423) on November 1, 2024. Amendment to Construction Contracts for Various County Service Area Projects November 19, 2024

Record of Action of the Board of Supervisors Board Governed County Service Areas

APPROVED (CONSENT CALENDAR)

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

Lynna Monell, CLERK OF THE BOARD

N ΒY

DATED: November 19, 2024



- cc: PW/SD Reyes w/agree Contractor - c/o PW/SD w/agree File - w/agree
- MBA 11/25/2024