

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

May 9, 2023

FROM

DON DAY, Director, Project and Facilities Management Department

SUBJECT

Amendment to Construction Contract with Hamel Contracting Inc. for the Fleet Management Fuel Tank Improvement Phase III Project in Victorville

RECOMMENDATION(S)

1. Approve a \$34,398 budget increase to Project No. 20-030, from \$1,000,000 to \$1,034,398, for the Fleet Management Fuel Tank Improvement Phase III Project, located at 15000 Tokay Street in Victorville.
2. Approve **Change Order No. 2 to Contract No. 21-975** with Hamel Contracting Inc., in the amount of \$11,181, increasing the contract amount from \$721,414 to \$732,595, for the Fleet Management Fuel Tank Improvement Phase III Project, located at 15000 Tokay Street in Victorville (Four votes required).
3. Approve **Amendment No. 1 to Contract No. 21-975** with Hamel Contracting Inc., in the amount of \$25,000, increasing the contract amount from \$732,595 to \$757,595, and extending the construction completion date from June 17, 2022, to April 17, 2023, for the Fleet Management Fuel Tank Improvement Phase III Project, located at 15000 Tokay Street in Victorville (Four votes required).
4. Authorize the Auditor-Controller/Treasurer/Tax Collector to post the necessary budget adjustments, as detailed in the Financial Impact section (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 revised total of Project No. 20-030 for the Fleet Management Fuel Tank Improvement Phase III (Project) (WBSE 10.10.0857) budget of \$1,034,398 is funded by the Department of Fleet Management and is comprised of the following components:

Description	Amount
Project Design	\$43,199
Project Management, Inspection and Testing	\$54,099
Construction	\$757,595
Construction Contingency	\$90,686
Project Contingency	\$88,819
Total Project Budget	\$1,034,398

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The following budget adjustments are necessary to establish the project budgets and transfer funds as invoiced by the Project and Facilities Management Department (PFMD):

Fund Center	Commitment Item	Description	Action	Amount	WBSE
7700003100	54104010	Improvements to Land	Increase	\$34,398	10.10.0857
7700003100	55415017	Fixed Assets Transfers In	Increase	\$34,398	10.10.0857

BACKGROUND INFORMATION

On July 13, 2021 (Item No. 43), the Board of Supervisors (Board) approved the advertisement for competitive bids for the Project. On December 7, 2021 (Item No. 54), the Board approved award of Construction Contract No. 21-975 to Hamel Contracting Inc. (Hamel), in the amount of \$680,008, with a contract time of 120 days, for the Project in Victorville, which included Addenda Nos. 1 and 2, as part of the plans and specifications. The Project includes the installation of 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.

On March 29, 2022 (Item No. 38), the Board approved Change Order No. 1 to Contract No. 21-975 to increase the contract by \$41,406, from \$680,008 to \$721,414, 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 COVID-19 pandemic and discontinued dispenser model identified in the specifications.

Change Order No. 2 to Contract No. 21-975 will allow PFMD to compensate Hamel in the amount of \$11,181, from \$721,414 to \$732,595, for labor, materials and equipment needed for soil excavation and concrete costs required for the installation of a light pole and additional demolition and concrete costs required for the installation of two new posts within the building to protect the electrical panel as stated in Hamel's Potential Change Orders (PCOs) Nos. 3 and 4.

Amendment No. 1 to Contract No. 21-975 will compensate Hamel in the amount of \$25,000, from \$732,595 to 757,595, for the additional scope of work related to unforeseen events, including, labor, equipment, and materials needed to reposition the fuel tanks, which involves moving and replacing anchors, piping, and lifting and repositioning the fuel tanks as stated in Hamel's PCO No. 5. This additional scope of work resulted from minor design deficiencies and contractor interpretations of the design, which resulted in incorrect placement of the fuel tanks.

Amendment No. 1 will also extend the contract time (Time) with Hamel from 120 calendar days to 455 calendar days. This is a 335-calendar day extension to reflect completion of the additional scope of work included in Amendment No. 1. The original Time was exceeded due to unforeseen issues, including inflation and supply chain issues related to the COVID-19 pandemic. At this time, PFMD is seeking an extension of the Time so that the Time covers the entire period work was performed to the date of completion, April 17, 2023, and to facilitate final payment to Hamel.

The Time is the agreed upon period of time allotted to Hamel to achieve completion of the entire scope of work without the imposition of liquidated damages. The extension of the Time is

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permitted by Section 3.1 of Contract No. 21-975, subject to written approval of the County. Regardless of changes to the Time, Contract No. 21-975 remains in effect until completion of the work or termination of the contract.

This Project is consistent with County Administrative Office approved Capital Improvement Program Project request No. 20-030.

PROCUREMENT

On July 13, 2021 (Item No. 43), the Board authorized the advertisement for competitive bids for the Project. On July 16, 2021, the Project was advertised in the Daily Press, Six Plan Rooms, the department's website and on the County's Electronic Procurement Network (ePro). On August 24, 2021, bids were received. On December 7, 2021 (Item No. 54), the Board awarded construction Contract No. 21-975 to Hamel, the lowest responsive and responsible bidder, in the amount of \$680,008, with a Contract Time of 120 calendar days from the date of issuance of the Notice to Proceed.

The unanticipated additional cost items in Change Order No. 2 and Amendment No. 1 are related to events that took place after the competitive bid processes that resulted in the original contract with Hamel. Therefore, no additional procurement activities are required.

Per Public Contract Code sections 20136, Board approval, by a two-thirds vote, is required for Change Order No. 2 and Amendment No. 1 to the construction contract with Hamel.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Katherine Hardy, Deputy County Counsel, 387-5455) on February 16, 2023; Auditor-Controller/Treasurer/Tax Collector (Vanessa Doyle, Chief Deputy Controller, 382-3195) on April 7, 2023; Fleet Management (Craig Donovan, Fleet Superintendent, 677-6224) on February 21, 2023; Purchasing (Bruce Cole, Supervising Buyer, 387-2148) on February 28, 2023; Project and Facilities Management (Robert Gilliam, Chief of Project Management, 387-5000) on February 28, 2023; Finance (Yael Verduzco, Principal Administrative Analyst, 387-5285) on April 11, 2023; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on April 11, 2023.

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

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: May 9, 2023



cc: PFMD - Hughes w/agrees
Contractor - C/O PFMD w/agree
File - w/agree
CCM 05/12/2023