



San Bernardino County

Legislation Text

File #: 1480, Agenda Item #: 70

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

December 17, 2019

FROM

LUTHER SNOKE, Interim Director, Special Districts Department

SUBJECT

Amendment to Construction Contract for County Service Area 70, Zone W-4 (Pioneertown) Water Pipeline Project

RECOMMENDATION(S)

Acting as the governing body of County Service Area 70, Zone W-4 (Pioneertown), approve Amendment No. 1 to Contract No. 18-822 with Sukut Construction LLC in the amount of \$221,020, increasing the total contract amount from \$4,666,827 to \$4,887,847 and extending the final completion date to April 30, 2020 for inclusion of an emergency generator and the abandonment of five non-usable wells to facilitate completion of the Pioneertown Water Pipeline Project (Four votes required).

(Presenter: Luther Snoke, Interim Director, 386-8811)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Operate in a Fiscally-Responsible and Business-Like Manner.

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 this item will not result in the use of additional Discretionary General Funding (Net County Cost). On November 6, 2018 (Item No. 73), the Board of Supervisors (Board) approved a loan agreement between the County of San Bernardino and County Service Area 70, Zone W-4 (CSA 70 W-4) for a \$5.6 million loan from the County General Fund to fund construction of a potable water system for Pioneertown (Project). The purpose of the loan was to fund construction costs upfront in order to meet strict deadlines set by regulatory agencies while qualifying for grant reimbursement from the State Water Resources Control Board (SWRCB). Although no funding agreement for the grant has been received as of this date, SWRCB is working diligently with Special Districts Department (Department) staff to complete the necessary steps to issue a grant award to be presented to the Board early 2020 for acceptance of the grant.

Itemized costs of this amendment are as follows:

Description	Costs
Generator	\$160,650
Concrete Pad and Electrical	\$11,545

Well Abandonment - Five Wells	\$48,825
Total Cost	\$221,020

Adequate appropriation and revenue have been included in the Department's 2019-20 budget and will be included in future recommended budgets if necessary.

BACKGROUND INFORMATION

The domestic water system of CSA 70 W-4, which has been maintained and managed under the Department's Water and Sanitation Division since 1980, currently provides water to 120 service connections in the desert community of Pioneertown, north of Yucca Valley. The well water sources previously used exceeded Environmental Protection Agency (EPA) and California Department of Public Health and State Division of Drinking Water standard levels of flouride, arsenic, and uranium. The State and EPA issued violation and abatement compliance notices, which compelled the need for the Project.

On November 6, 2018 (Item No. 73), the Board awarded construction contract No. 18-822 (Contract) to Sukut Construction, LLC (Sukut) in the amount of \$4,623,425 for the Project. At the same time, the Board also approved a loan in the amount of \$5.6 million from the County General Fund to allow the Project to proceed until the final State Grant Agreements were issued and approved. The Board also authorized the Director of the Special Districts Department to order any necessary changes or additions in the work being performed under the Contract for a total not to exceed \$210,000. To date, the Department has issued three administrative contract change orders totaling \$43,402 as follows:

- On March 8, 2019, the Director of Special Districts, as authorized by the Board pursuant to Public Contract Code section 20142, approved a no cost administrative change order (Change Order No. 1) to Sukut adding modified Federal Prevailing Wage Rate Determinations that were issued during the bid process and were required to be used for the Project. This action did not increase the contract amount or add days to the contract time.
- On May 28, 2019, the Director of Special Districts, as authorized by the Board pursuant to Public Contract Code section 20142, approved an administrative change order (Change Order No. 2) to Sukut to add \$13,706 to the contract amount with no change in the contract time to address additional work required for tank seismic code requirements and unforeseen buried trash removal and disposal. This action increased the Contract from \$4,623,425 to \$4,637,131.
- On July 29, 2019, the Director of Special Districts, as authorized by the Board pursuant to Public Contract Code section 20142, approved an administrative change order (Change Order No. 3) to Sukut to add \$29,696 to the contract amount with no change in the contract time to address certain design flaws and miscellaneous items not included in the plans and, as requested by the CSA 70 W-4, to include additional security considerations, fiber optic terminals, additional curbing and chain link fencing. This action increased the Contract from \$4,637,131 to \$4,666,827.

In regards to the recommended Contract Amendment No. 1, the State officer from the Division of Finance overseeing grant management on the Project authorized the Department to include an emergency generator and facilitate the abandonment of five existing lower producing wells, which were contaminated and no longer needed. This was requested by the Department of Environmental Health for safety reasons as additional work on the Project, as part of the original \$5,400,000 SWRCB grant contingency, was still unspent and available for use. Contract Amendment No. 1 will compensate Sukut for the additional unforeseen scope of work in the amount of \$221,020, which increases the Contract from \$4,666,827 to \$4,887,847.

Contract Amendment No. 1 also extends the contract time from 150 calendar days to 480 calendar days to allow for additional water quality testing that was required by CSA 70 W-4 and Environmental Health, long lead times required to comply with the grant requirement of Buy American Act for steel components, and completion of the additional scope of work, in particular to allow for the long lead time required for generator design, submittals and approvals, fabrication, delivery, and installation. The contract time is the agreed upon period of time allotted to the contractor to achieve completion of the entire scope of work, without the imposition of liquidated damages. Extensions of the contract time are permitted by section 3.1 of the Contract, subject to written approval of CSA 70 W-4. At all times, the Contract as a whole remains in full force and effect until all issues relating to the Contract have been resolved. The Project's revised completion date is April 30, 2020.

PROCUREMENT

The Contract was awarded to Sukut following a public formal bid process. The unanticipated and unforeseen additional cost items in Contract Amendment No.1 and previously approved change orders were related to events that took place after the competitive bid process. Therefore, no additional procurement activities are required.

Per Public Contract Code sections 20136 and 20137, Board approval of this contract amendment with Sukut is required.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Katherine Hardy, Deputy County Counsel, 387-5455) on November 25, 2019; Finance (Tom Forster, Administrative Analyst, 387-4635) on November 27, 2019; and County Finance and Administration (Matthew Erickson, County Chief Financial Officer, 387-5423) on November 27, 2019.