



Legislation Text

File #: 18-1947, **Version:** 1

Department of Transportation, recommending the Board receive information regarding Contract Change Order 4 on the White Meadow Road and Peavine Ridge Road Storm Damage Repair Project, CIP 78711/36102025, Contract 2771. (Est. Time: 5 Min.)

FUNDING: Local and State discretionary funding initially (100%), with Department of Transportation staff working with the Federal Emergency Management Agency and the California Office of Emergency Services to obtain reimbursement. (Local, State, and Federal)

DISCUSSION / BACKGROUND

The contract for the White Meadow Road and Peavine Ridge Road Storm Damage Repair Project (Project) was approved by the Board on September 25, 2018 (Item 49) and notice to proceed was issued for November 5, 2018.

Shortly after the Project started, this Project's contractor, MKD Construction (MKD) and Department of Transportation (Transportation) staff realized that the import material (e.g. soil) bid quantity was not aligned with the amount of import material that would be required at the site. Transportation staff and MKD agreed that Contract Change Order 4 (CCO 4) would be executed to pay MKD to provide more import material. The County and MKD worked together to minimize the cost and impacts of CCO 4, taking steps like replacing import material with heavy crushed rock in the bottom of the fill and using whatever local material when it was suitable to use for the fill. Despite these and other measures, on December 10, Transportation staff determined that the estimated cost of the CCO would be in excess of 10% of the total cost of the original contract.

Notwithstanding any delays associated with material availability, trucking availability, or weather, Transportation anticipates that the work associated with CCO 4 will be completed by December 21. Transportation does not yet know what the final cost of CCO 4 will be, but Transportation is certain that it will exceed 10% of the original contract price. Transportation is also certain that the cost of the Project's construction phase will exceed the amount authorized by the Board at the time of Project award, which will require Transportation to request that the Board authorize a budget transfer to cover the increase to the cost of the construction phase. Transportation determined that it was in the County's best interest to direct MKD to continue to work in order to preclude any delay costs and to take advantage of favorable weather, even though this action will result in Transportation requesting retroactive approval of CCO 4 and the budget transfer request.

Transportation discussed this issue with the Chief Administrative Office, and it was determined that even though final costs would not be determined by the December 18, 2018 Board meeting, Transportation would bring this informational item to the Board to make the Board aware of this issue as quickly as possible. Transportation will return to the Board in January with a formal request for the Board to retroactively approve CCO 4 and approve the budget transfer. Transportation's current approximated estimates are \$222,000 for the cost of CCO 4 and \$150,000 for the budget transfer.

ALTERNATIVES

This is an informational item only.

PRIOR BOARD ACTION

See Discussion/Background section above.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

N/A

CAO RECOMMENDATION / COMMENTS

It is recommended that the Board hear this item.

FINANCIAL IMPACT

This is an informational item only with no financial impact at this time. However, it is the intent of the Transportation Department to come to the Board with an item that is estimated to need a contract change order and budget transfer. The current budget for the construction phase of the Project is \$1,091,211.25.

Total Funding for this Project is included in the 2018 CIP Book approved by the Board on June 26, 2018 (Item 61) with an increase approved August 14, 2018 (Item 44).

This Project is eligible for 75% reimbursement by FEMA and 18.75% reimbursement by California Office of Emergency Services. The remaining 6.25% is local and state discretionary funding. Transportation will continue working with these agencies to obtain the maximum allowable reimbursement.

CLERK OF THE BOARD FOLLOW UP ACTIONS

N/A

STRATEGIC PLAN COMPONENT

Infrastructure

CONTACT

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