



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** GOVERNING BOARD

**File #:** 20-027

Board Meeting Date: 2/11/2020

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**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors, Acting as the Governing Board of the Crystal Springs County Sanitation District

**From:** James C. Porter, Director of Public Works

**Subject:** Amend the Construction Agreement with Disney Construction, Inc. for the Seneca Lane Mudslide Sewer Stabilization Project - Crystal Springs County Sanitation District (Project No. SMF51, File No. 1/4989)

### **RECOMMENDATION:**

Acting as the Governing Board of the Crystal Springs County Sanitation District, adopt a resolution increasing the Director of Public Work's authority to execute change orders to the agreement with Disney Construction, Inc., by increasing the amount by \$195,000, to a new not to exceed amount of \$2,057,065, for payment of unanticipated project costs related to the Seneca Lane Mudslide Sewer Stabilization Project.

### **BACKGROUND:**

On March 14, 2017, your Board adopted Resolution No. 075084 authorizing specific Department employees to serve as agents authorized to execute in the name of the County of San Mateo all necessary applications, contracts, agreements, amendments, and payment requests hereto for the purposes of securing grant funds and to implement and carry out the purposes specific in the grant applications with Federal Emergency Management Agency (FEMA) and the California Office of Emergency Services (Cal OES). FEMA and Cal OES determined that the site was eligible for funding and worked with the Crystal Springs County Sanitation District (District) to establish an initial scope of work and approved funding amount of \$1,170,715 prior to advertising for bids. The FEMA disaster number assigned to this mudslide is FEMA-4305-DR-CA.

On August 7, 2018, your Board adopted Resolution No. 076046 authorizing the Director of Public Works to proceed with preparing the plans and specifications for the Seneca Lane Sewer Stabilization Project (Project) and authorized the Director of Public Works to proceed with advertising for bids for the Project, and report back to your Board with recommendations on awarding a contract.

On June 25, 2019, your Board adopted Resolution No. 076730, which adopted the plans and

specifications, including conformance with federal prevailing wage scale requirements, and authorized an agreement for construction of the Project to be executed with Disney Construction, Inc. (Contractor) with a not-to-exceed amount of \$1,862,065 based on the Contractor's bid amount of \$1,692,785, and authorized the Director of Public Works to execute contract change orders in an amount not to exceed \$169,280.

### **DISCUSSION:**

Unanticipated conditions discovered during construction have led to a determination that the original "not-to-exceed" amount will not be sufficient to complete the Project based on the following factors:

1. The Project required a revocable permit from the San Francisco Public Utilities Commission (SFPUC) for the use of a portion of their land for construction equipment and materials. The permit was approved two (2) months after the Project was awarded to the Contractor and delayed the start of the construction work. The District provided reasonable accommodations to enable the Contractor to make up for the delayed start and in an effort to have the work completed before the rains. However, this delay has led to an extended construction period and additional costs will be incurred as a result.
2. To reduce the construction duration, the District authorized an equivalent substitution for the steel soldier piles because the Contractor had the materials on hand. The cost of this substitution was approximately \$46,948 and resulted in a three-week time savings to the schedule.
3. Additional compensation was provided to the Contractor for removal of additional trees along the Project access route and compliance with conditions of the SFPUC revocable permit, including installation of wildlife exclusion fencing at the staging area. The cost of this additional work was approximately \$21,485.
4. The Project included installing a pipe to connect the retaining wall drainage system to an existing storm drain culvert. During construction it was determined that the existing culvert was not functional and the proposed connecting pipe could be eliminated from the Project. The Contractor was compensated for the unreturnable pipe materials, which had been ordered and delivered to the site. The cost of the materials was approximately \$8,000.
5. After work on the construction access road to the Project site was completed, it was apparent that there were multiple hillside areas adjacent to the access road with significant water seepages. In order to maintain future use of the access road drainage improvements, including culverts, headwalls, flumes, and energy dissipaters, were required and included in the Project to control and direct seepage and stormwater runoff. The anticipated cost of this additional work is approximately \$82,625.
6. Additional compensation to the Contractor is required for other items of work including: restoring the staging area per SFPUC permit requirements, providing a temporary generator for uninterrupted operation of the sewage by-pass system during PG&E's Public Safety Power Shutoff outages in October 2019, and winterization of the Project due to the wet weather.

It is anticipated that the costs associated with the additional work described above will exceed the current contract not-to-exceed amount and extend the completion date for the Project until March 2020.

The Department recommends that your Board consider these unanticipated Project conditions and approve the recommended contract increase amount to facilitate completion of the Project. Construction issues often arise during construction projects as it is difficult to determine all existing conditions prior to construction. Although the District coordinated with the SFPUC about the Project and performed specific field surveys and investigations during the design phase, the additional permit requirements and unforeseen conditions encountered during construction required modifications to the Project and increased the cost.

County Counsel has reviewed and approved the resolution as to form.

**FISCAL IMPACT:**

The new not-to-exceed amount of the Disney Construction, Inc. contract is \$2,057,065. The recommended increase of the Project contract by \$195,000 will allow for the payment to the contractor for the above-described unanticipated additional work and costs.

The total cost of the Project has exceeded the initial funding amount approved by FEMA. The District will work to identify and seek reimbursement of all the additional costs that are eligible for reimbursement by FEMA Disaster Assistance funds. The total eligible amount for reimbursement is unknown at this time, however there is sufficient funding from District funds to support the increase.

There is no impact to the General Fund.