# SWEETWATER SPRINGS WATER DISTRICT

**TO:** Board of Directors **AGENDA NO. V-C**

**FROM:** Steve Mack, General Manager

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**Meeting Date: April 3, 2014**

**Subject: DISCUSSION/ACTION RE RESOLUTION 14-06 WHICH APPROVES THE SECOND AMENDMENT TO THE CONTRACT WITH COASTLAND ENGINEERING FOR 2014 CIP**

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**RECOMMENDED ACTION:** Adopt Resolution 14-06 which approves the Second Amendment to the contract with Coastland Engineering for design and construction management and inspection services for the 2014 CIP Project and authorize the General Manager to execute.

**FISCAL IMPACT:** Increases not-to-exceed amount of the contract by $37,401.78.

**DISCUSSION:**

In November 2012, the District awarded a contract with Coastland Engineering for design and construction management and inspection services for the 2014 CIP Project (which then included the Old Monte Rio Road and Hidden Valley Road projects in anticipation of possible USDA funding support) for $324,361. An extra services allowance of $20,000 resulted in a not to exceed amount of $344,361. The USDA funding did not materialize and the District decided to do the Old Monte Rio project in 2015 and added the Guernewood Lane element to the 2014 CIP. In January 2013 the contract with Coastland was amended to include design and construction management costs for the Guernewood Lane element and increased to $421,526 with an extra services allowance of $20,000, for a total not to exceed amount of $441,526.

Recently Coastland has informed the District that contract amount for inspection and construction management for the 2014 CIP needs to be increased (see Exhibit A). As discussed in Exhibit A, the contract amount needs to be increased because the project progress moving slower than expected plus there were unanticipated extra costs associated with the Mill Street Emergency Project. One of the reasons for the extra time is the slower pace of directional drilling; this method of pipe installation is expected to save the District approximately $100,000, more than offsetting the extra costs of inspection and construction management. The estimated cost of these extra services is $37,401.78 which is more than the extra services allowance, thus another contract amendment is needed.

Resolution 14-06 authorizes the General Manager to execute the Second Amendment to the contract with Coastland for design and construction management and inspection services for the 2014 and 2015 CIP Project. The Second Amendment increases the contract amount ($441,526, including a $20,000 allowance for extra services) by $37,402 to a new Not to Exceed Amount of $478,928.

Exhibit A

Coastland

Civil Engineering - Construction Management - Building Dept. Services

March 5, 2014

Mr. Steve Mack, General Manager
Sweetwater Springs Water District
P.O. Box 48
Guerneville, CA 95446

Subject: 2014 Capital Improvement Project
**Request for Contract Amendment #1**

Dear Steve:

This letter is to request a contract amendment for Coastland's construction management and inspection services for the 2014 Capital Improvement Project in the amount of **$37,401.78**. This is due to the fact that the Contractor has run out of working days. The Contractor has currently worked a total of 22 additional working days beyond the specified contract time. This does not include contract suspension time granted by the District over the 2013 holiday season or any time extension granted by the District for work on the Mill Street Emergency Repair job, as the Contractor has failed to submit billings for the Mill Street job and miscellaneous extra work on the 2014 CIP project at this time. The contract time is currently suspended until weather permits paving. It is estimated that paving and final punch list items will take approximately 4 weeks (20 working days) to complete. This results in a total of 42 days over the amount specified in the original contract.

In our originally submitted proposal, we based our construction management and inspection budget on 90 working days, as specified in the contract documents. Our original budget did not account for the additional 42 days of work. This has led to additional expenses on behalf of our budget and, ultimately, the District's. The primary cause for this, in our opinion, has been lack of production during directional boring operations. It should be noted, however, that this method of construction was offered to the Contractor and approved by the District for an estimated cost savings of $100,000, which could be used to offset the additional cost due to increased contract time.

Based on the above-described changes, we have exceeded our original estimated budget. As of February 28, 2014 we are $8,961.78 over budget. With an estimated 20 working days remaining until project completion, we have estimated the amount needed to complete the project based the following assumptions:

| | |
|---|---|
| Inspection = | 160 hours @ $110/hour = $17,600.00 |
| Inspector Vehicle= | 160 hours @ $14/hour = $ 2,240.00 |
| Subtotal Inspection = | = $19,840.00 |

We also anticipate the following Construction Management work:

| | |
|---|---|
| CM during construction | 20 hours @ $130/hours = $ 2,600.00 |
| Semi Final and Final Pay Estimates | 8 hours @ $130/hour = $ 1,040.00 |

**1400 Neotomas Ave Santa Rosa, CA 95405 707.571.8005 707.571.8037 Fax**
11810 Kemper Road Auburn, CA 95603 530.888.9929 530.889.9979 Fax
www.coastlandcivil.com

| | | |
|---|---|---|
| Change Orders | 20 hours @ $130/hour | = $ 2,600.00 |
| Record Drawings = | 4 hours @ $130/hour | = $ 520.00 |
| Project Close out = | 12 hours @ $130/hour | = $ 1,560.00 |
| CM vehicle= | 20 hours @ $14/hour | = $ 280.00 |
| Subtotal Construction Manager = | | = $ 8,600.00 |
| Budget Shortfall | | = $ 8,961.78 |
| Total estimated additional work | | = $ 37,401.78 |

Sincerely,

Jessica Long
Construction Manager

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# RESOLUTION 14-06

## A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SWEETWATER SPRINGS WATER DISTRICT APPROVING A FIRST AMENDMENT TO THE AGREEMENT FOR ENGINEERING SERVICES FOR FY 2014 CAPITAL IMPROVEMENT PROGRAM (CIP) WITH COASTLAND ENGINEERING INC. (COASTLAND) AND AUTHORIZING THE GENERAL MANAGER TO SIGN

**WHEREAS,** the District executed an agreement for engineering services with Coastland for the FY 2014 CIP which, at the time of agreement, consisted of the following elements:

- Replacement of approximately 5800 ft of main line on Old Monte Rio Road in Guerneville with 50 services.
- Replacement of approximately 3900 ft of main line on Hidden Valley Road in Guernewood Park with 67 services; and

**WHEREAS,** the District amended that contract in January 2013 to include the Guernewood Lane element which will replace 1,800 lf of existing main and appurtenances and abandon 200 lf of redundant 4–inch main along Hwy 116 with 20 services to the work for the 2014 CIP, and move remaining design of the Old Monte Rio Road element to the fall and winter of 2013-14 and the construction of this element to the summer of 2014; and

**WHEREAS,** this First Amendment resulted in an approved cost of $421,526 with an extra services allowance of $20,000, for a total Not to Exceed Amount of $441,526; and

**WHEREAS,** the District has been informed by Coastland Engineering that the slower than expected pace of the work on the 2014 CIP plus extra services caused by the Mill Street Emergency Project has caused extra costs for Coastland which are estimated to be $37,402 by the completion of the 2014 CIP which is more than the extra services allowance in the contract; and.

**WHEREAS,** this change will result in an overall cost of $458,928; and

**WHEREAS,** it is appropriate to include an allowance of $20,000 for extra or changed work that may be authorized only by express permission or direction by the General Manager.

**NOW, THEREFORE, BE IT RESOLVED**, that:

1. The Second Amendment to the Agreement for Engineering Services for the 2014 CIP with Coastland, a copy of which is attached hereto as Attachment A, is hereby approved in the sum of $458,928 with an extra services allowance of $20,000, for a total Not to Exceed Amount of $478,928; and

2. The General Manager is authorized to execute said Agreement on behalf of the District.

I hereby certify that the foregoing is a full, true, and correct copy of a Resolution duly and regularly adopted and passed by the Board of Directors of the SWEETWATER SPRINGS WATER DISTRICT, Sonoma County, California, at a meeting held on April 3, 2014, by the following vote:

| **Director** | **Aye** | **No** |
|---|---|---|
| Sukey Robb-Wilder | _____ | _____ |
| Tim Lipinski | _____ | _____ |
| Richard Holmer | _____ | _____ |
| Gaylord Schaap | _____ | _____ |
| Victoria Wikle | _____ | _____ |

_____
Richard Holmer
President of the Board of Directors

_____
Attest: Julie A. Kenny
Clerk of the Board of Directors

# ATTACHMENT A
# SECOND AMENDMENT TO
# SWEETWATER SPRINGS WATER DISTRICT
# PROFESSIONAL SERVICES AGREEMENT WITH
# COASTLAND CIVIL ENGINEERING, INC.

## AGREEMENT

This Second Amendment is made and entered into this 3rd day of April 2014, by and between Sweetwater Springs Water District, 17081 Highway 116, Suite B, P.O. Box 48, Guerneville, California, 95446-0048, hereinafter referred to as "District," and Coastland Civil Engineering, Inc., hereinafter referred to as "Consultant."

## RECITALS

WHEREAS, the Board of Directors of the District on November 1, 2012 by Resolution No. 12-17 authorized execution of an agreement with the Consultant on behalf of District in accordance with the District Policy and Procedures and/or other applicable law for Consultant to provide certain engineering services for design and construction management and inspection of Capital Improvement Program (CIP) construction projects for FY 2014 ("Agreement"); and

WHEREAS, the Board of Directors of the District on January 8, 2013 by Resolution No. 13-03 authorized execution of a First Amendment on behalf of District in accordance with the District Policy and Procedures and/or other applicable law, to reflect the exchange of the timing of the Hidden Valley Road element and the Old Monte Rio Road element, and the addition of the Guerneville Lane element to the scope of Services for the work to be done by Consultant; and

WHEREAS, the Board of Directors of the District on April 3, 2013 by Resolution No. 14-06 authorized execution of this Second Amendment on behalf of District in accordance with the District Policy and Procedures and/or other applicable law, to reflect extra services that are resulting in extra costs for the Services for the work to be done by Consultant.

NOW, THEREFORE**,** District and Consultant, for the consideration hereinafter described, mutually agree as follows:

1. PAYMENT TERMS AND NOT TO EXCEED AMOUNT

The Not to Exceed Amount in the Agreement shall be increased from $441,526.00 to $478,928.00.

2. ENTIRE AMENDMENT

Except as amended in this Second Amendment, the terms and conditions of the Agreement shall remain in full force and effect.

3. COUNTERPARTS

This Second Amendment may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

IN WITNESS HEREOF, the parties have caused their authorized representative to execute this Agreement on this 3rd day of April, 2014.

| DISTRICT | CONSULTANT |
|---|---|
| By: _____ | By: _____ |
| Its: _General Manager__ | Its: Chief Executive Officer |
| | By: _____ |
| ATTEST: | |
| By: _____<br>Julie Kenny, Clerk of the Board | Its: Chief Financial Officer |

APPROVED AS TO FORM:

By: _____
David Warner, District General Counsel