SWEETWATER SPRINGS WATER DISTRICT

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

FROM: Steve Mack, General Manager

Meeting Date: April 4, 2013

Subject: DISCUSSION/ACTION RE RESOLUTION 13-09 WHICH APPROVES THE FIRST AMENDMENT TO THE CONTRACT WITH COASTLAND ENGINEERING FOR 2013 CIP

RECOMMENDED ACTION: Adopt Resolution 13-09 which approves the First Amendment to the contract with Coastland Engineering for design and construction management and inspection services for the 2013 CIP Project and authorize the General Manager to execute.

FISCAL IMPACT: Increases not-to-exceed amount of the contract to $227,791, an increase of $4,754. All of the increase should be covered by liquidated damages from the project contractor.

DISCUSSION:

In November 2011, the District awarded a contract with Coastland Engineering for design and construction management and inspection services for the 2013 CIP Project in the amount of $207,037 with an extra services allowance of $16,000. Recently Coastland has informed the District that contract amount needs to be increased (see Exhibit A). As discussed in Exhibit A, the contract amount needs to be increased because of the project progress moving slower than expected. The cost of these extra services is $20,753.80 which is more than the extra services allowance, thus a contract amendment is needed.

The contract with Piazza Construction (Piazza) provides for liquidated damages of $1000 per day if the contractor does not complete the project within the allotted time. We have met with Piazza to discuss this situation and the amount of liquidated damages that could be expected. We will be requesting liquidated damages to cover the extra services amount billed by Coastland.

Resolution 13-09 authorizes the General Manager to execute the First Amendment to the contract with Coastland for design and construction management and inspection services for the 2013 CIP Project. The First Amendment increases the contract amount (originally $223,037, including a $16,000 allowance for extra services) by $4,754 to a new Not to Exceed Amount of 227,791.

RESOLUTION 13-09

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 2013 CAPITAL IMPROVEMENT PROGRAM (CIP) WITH COASTLAND ENGINEERING INC. (COASTLAND) AND AUTHORIZING THE GENERAL MANAGER TO EXECUTE THE AMENDMENT

WHEREAS, the FY 2013 CIP consists of the following elements:

- Replacement of approximately 1940 ft of main line on Starrett Hill Road in Monte Rio with 25 services and 3 fire hydrants.
- Replacement of approximately 1440 ft of main line on Lovers Lane in Guernewood Park with 22 services and 2 fire hydrants.
- Replacement of approximately 1,270 ft of main line on Middle Terrace in Monte Rio with 13 services and 1 fire hydrant, and
- Elimination of dead end mains and creation of loops by installing 2,505 of new main and appurtenances in Canyon Seven Rd between Sequoia Rd and Paradise Lane in Rio Nido with 31 services and 3 fire hydrants; and

WHEREAS, on November 3, 2011, the District entered into a Professional Services Agreement with Coastland Engineering ("Original Agreement") to provide engineering services for design and construction management and inspection for the 2013 CIP in the amount of $207,037 ("Base Amount") with an extra services allowance of $16,000, for a total Not to Exceed Amount of $223,037; and

WHEREAS, Coastland has informed the District that because of construction delays by the 2013 CIP contractor, Piazza Construction, they will incur additional engineering services costs of $20,754; and

WHEREAS, the Original Agreement needs to be increased by $4,754 over the original Not to Exceed Amount for these extra engineering services for a new Not to Exceed Amount of $227,791; and

WHEREAS, Piazza Construction has exceeded the number of days allowed for completion of the project and is subject to liquidated damages of $1000 per day pursuant to the Construction Contract; and

WHEREAS, the liquidated damages can be used to reimburse the District for the extra costs incurred as a result of Piazza Construction's failure to timely complete the project in accordance with the Construction Contract; and

WHEREAS, the First Amendment to the contract with Coastland Engineering for design and construction management and inspection services for the 2013 CIP Project provides for an increase in the Not to Exceed Amount of $4,754, for a total Not to Exceed Amount of $227,791 to cover the extra costs for these services.

NOW, THEREFORE, BE IT RESOLVED, that:

1. The First Amendment to the Agreement for Engineering Services for the 2013 CIP with Coastland, a copy of which is attached hereto as Attachment A, increasing the Not to Exceed Amount in the Original Agreement to $227,791 to cover the additional engineering services required to complete the 2013 CIP is hereby approved; and

2. The General Manager is authorized to execute said First Amendment 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 4, 2013, by the following vote.

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

_____
Richard Holmer
President of the Board

_____
Julie A. Kenny
Clerk of the Board of Directors

SWEETWATER SPRINGS WATER DISTRICT
FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT
WITH COASTLAND ENGINEERING

THIS FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT ("First Amendment") is made and entered into this ___ day of _____, by and between Sweetwater Springs Water District ("District"), and Coastland Civil Engineering, Inc., ("Consultant," and collectively with District, referred to as "Parties") for the purpose of amending that certain Professional Services Agreement ("Original Agreement"), between the Parties dated November 3, 2011, for engineering services for design and construction management and inspection of Capital Improvement Program (CIP) construction projects for 2013 ("2013 CIP Projects").

WHEREAS, the Original Agreement has a Not to Exceed Amount of $223,037; and

WHEREAS, due to failure of the contractor to timely complete the 2013 CIP Projects, the District is in need of additional engineering services from Consultant; and

WHEREAS, the District wishes to amend the Original Agreement to increase Consultant's compensation for additional services and amend the Not to Exceed Amount;

NOW, THEREFORE, the Parties hereby agree to amend the Original Agreement as follows:

1. Section 3 of the Original Agreement, "Payment Terms and Not to Exceed Amount," is hereby amended to increase the "Not to Exceed Amount" to $227,791.

2. Except as otherwise modified by this First Amendment, the terms and conditions of the Original Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties have caused this First Amendment to be signed and executed to be effective as of the date first shown above.

DISTRICT	**CONSULTANT**
By: _____	By: _____
Its: _____General Manager_____	Its: _____
	By: _____
ATTEST:	Its: _____
By: _____ Julie Kenny, Clerk of the Board	

APPROVED AS TO FORM

_____

David Warner, District General Counsel

Exhibit A

Coastland

Civil Engineering - Construction Management - Building Dept. Services

ORIGINAL

March 6, 2013

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

Subject: 2013 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 2013 Capital Improvement Project in the amount of $20,753.80. This is due to the fact that the Contractor has run out of working days. The contractor completed the work this week, with a total of 29 days over the amount specified in the original contract.

In our original proposal submitted prior to the design, we based our construction management and inspection budget on 90 days, when the design was completed. Our original budget did not account for the additional 29 days. The primary cause for this, in our opinion, has been lack of production during portions of the project. This has led to additional expenses on behalf of our budget and, ultimately, the District's.

Based on the above-described changes, we have exceeded our original estimated budget by $20,753.80.

As of February 22, 2013 we are $11,297.80 over budget. With a project completion date of February 27, 2013; we have estimated the amount needed to complete the project based the following assumptions:

Inspection =	30 hours @ $100/hour	= $3,000.00
Inspector Vehicle=	30 hours @ $14/hour	= $ 420.00
Subtotal Inspection =		= $3,420.00

We also anticipate the following Construction Management work:

Semi Final and Final Pay Estimates	6 hours @ 130/hour	= $ 780.00
Change Orders =	32 hours @ 130/hour	= $ 4,160.00
Record Drawings =	4 hours @ 130/hour	= $ 520.00
Project Close out =	4 hours @ 130/hour	= $ 520.00
CM vehicle=	4 hours @ 14/hour	= $ 56.00
Subtotal Construction Manager =		= $ 6,036.00
Budget Shortfall		=$ 11,297.80
Total estimated additional work		=$ 20,753.80

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11810 Kemper Road Auburn, CA 95603 530.888.9929 530.889.9979 Fax
www.coastlandcivil.com

With the Contractor running out of working days, both the District and Coastland are in a position to have to incur additional expenses that were not anticipated. Fortunately, the contract documents provide a remedy for this situation. Section 5-1.02 of the specifications states that if the contractor does not finish the job in the 90 allocated days, the contractor will forfeit and pay to the District liquidated damages of $1,200 per calendar day until all of the work is completed. The contractor was notified of the District's intent to assess liquidated damages on October 30, 2012.

Sincerely,

John Wanger
Principal

Mike Janet
Construction Services Manager

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