

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

874



FROM: Economic Development Agency

SUBMITTAL DATE: July 23, 2003

SUBJECT: Construction Contract Change Order – Ripley Sewer Lift Station Rehabilitation

RECOMMENDED MOTION: That the Board

1. Make a finding that the solicitation of bids for the additional by-pass activities required for the Ripley Sewer Lift Station project would not produce an advantage to the County; and
2. Approve a Contract Change Order request in the amount of \$61,000.00 for the CSA 62 Ripley Sewer Lift Station Rehabilitation Project; and
3. Authorize the Assistant County Executive Officer / EDA or his designee to execute and process all required change order documents.

BACKGROUND: On December 10, 2002, the Board approved the construction contract in the amount of \$440,818 between the County and *T.B. Penick & Sons, Inc.*, for the CSA 62 Ripley Sewer Lift Station Project. Construction activities commenced in May 2003. During construction, the contractor discovered previously unreported incoming sewer laterals entering lift stations #1 and #2 from the east and west. These unmapped laterals were confirmed by the project engineers, *Albert A. Webb and Associates*. The original design documents only indicate laterals entering from the north.

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Bradley J. Hudson, Assistant County Executive Officer/EDA

FORM APPROVED
COUNTY COUNSEL
AUG 07 2003

BJH:RZ:BJG:JV: SH:JT

FINANCIAL DATA:

CURRENT YEAR COST: \$61,000.00

NET COUNTY COST: \$0

BUDGET ADJUSTMENT: NO

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: NO

SOURCE OF FUNDS: \$735,200 from USDA Colonia Grant Funds

ANNUAL COST \$0
IN CURRENT YEAR BUDGET: Yes
FOR FY: 2003-04

**REQUIRES
4/5 VOTE**

C.E.O. RECOMMENDATIONS:

APPROVE

County Executive Officer Signature:

Department Recommendation: Consent Policy
Per Executive Office: Consent Policy

Prev. Agn. Ref.

3/27/01[3.8], 7/02/02[3.15], 12/02/02[3.19]

Dist.

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AGENDA NO.

3.23

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Background (continued):

The result of these additional laterals directly impacts the cost and design of sewer by-pass activities for each lift station. Consequently, the contractor and engineer have negotiated a cost of \$61,000 for the additional by-pass activities. Based upon EDA Staff review of the contractor's submittals and the engineer's analysis, staff concurs with the necessity of the change order and the cost estimate.

The proposed \$61,000.00 change order represents 13.8% of the original contract amount of \$440,818. Previous change orders in the amount of \$17,980.02 (4.0% of contract amount) were approved in May 2003. Below is a summary of contract activity:

Original Contract Amount	\$440,818.00	
Change Order #1	734.60	0.1% Manhole Modifications
Change Order #2	17,245.42	3.9% Portable Generator Set
Change Order #3	<u>61,000.00</u>	13.8% Sewer By-Pass Activities

Total Amended Contract (Proposed) \$519,798.02 (117.9% of Original Amount)

Staff is recommending approval of the change order request based upon the following:

1. **Project Necessity** – Lift stations #1 and #2 cannot be adequately rehabilitated without the sewer lateral by-pass. The change order is necessary to compensate the contractor for additional equipment and manpower.
2. **Funding Availability** – The County was awarded a total of \$735,200 from USDA Colonia Grant funds for the project. The amended contract amount of \$519,063.42 leaves a sufficient balance of \$216,136.58 for project design, engineering, inspection, and contingency costs.
3. **Bidding of Additional Work** – based upon recommendations from the project engineers and CSA 62 field staff, it has been determined that soliciting bids for the additional sewer by-pass work would be cost-prohibitive and would not produce an advantage to the County. It is highly unlikely that the County would receive reasonable or cost-effective bid proposals given the size of the project, nature of the work required, and the remote location. In addition, if the work is to be performed by another contractor, the current contractor would have to demobilize and then remobilize to complete the original tasks. These mobilization costs would be passed-on to the County.

The contractor has completed work on lift station #4 and is nearing completion on lift station #3. Work will have to be halted after lift station #3 unless the change order is approved, thus allowing rehabilitation of lift stations #1 and #2.