



MEETING HANDOUT

Meeting: Board Meeting

Date: February 7, 2018

Item: 3.3 Consideration and Action on Acceptance of Construction Contract and Change Order No. 1 for the Upper Chiquita Reservoir 2017 Storm Damage Slope Repair Project, C-1543A.10

Include changes to the recommendation and discussion.

Santa Margarita Water District



MEMORANDUM

TO: Board of Directors

DATE: February 7, 2018

FROM: Don Bunts

SUBJECT: Consideration and Action on Acceptance of Construction Contract and Change Order No. 1 for the Upper Chiquita Reservoir 2017 Storm Damage Slope Repair Project, C-1543A.10

SUMMARY:

Recommendation: 1) Accept the work. File Notice of Completion (NOC), and release retention no later than 60 days after the NOC has been filed, provided no claims have been filed with the District, and that the Punch List items have been completed. 2) Approve Change Order No. 1 for Sukut for the credit amount of <~~\$50,000~~40,725>. 3) Approve Addendum No. 1 to the GMU Geotechnical (GMU) construction management contract in the credit amount of <\$7,025>.

Issue: The District issued Sukut Construction, LLC (Sukut) a construction contract to perform slope repair work. Sukut has completed the work under Contract C-1543A.10, and the project is ready for acceptance by the District. The contingency funds built into the Sukut Contract were not completely needed which results in a deductive change order to be issued which is approximately 10% of the original contract. The GMU contract was based on time and material on the actual cost resources used. The actual costs required by GMU were less than anticipated which results in a deductive change order to be issued which is greater than 10% of the original contract.

Fiscal Impact: The total cost of the project was ~~\$530,336.42~~540,075.17 which includes the construction contract of ~~\$441,592.30~~450,867.30 and design/administrative costs. \$513,386.38 will be paid for by the Federal Emergency Management Agency (FEMA)/California Office of Emergency Services (OES), resulting in a balance cost of ~~\$16,950.04~~26,688.79. UCR is a jointly owned facility (JOF) and participants pay a prorated share of costs of repair and maintenance based on their respective ownership. The District's UCR ownership share is 38.48% which equates to responsibility for ~~\$6,522.37~~10,269.84 of the balance of cost for this project. Based on the joint operating facility agreement the other UCR participants will pay the remaining costs. Until FEMA/OES reimbursement occurs, all funding for the slope repair project is proposed to come from the Fiscal Year 2017-18 Operations Repair and Maintenance Reserves.

Previously Related Action: The District awarded the construction services contract to Sukut in September 2017. District staff also retained GMU Geotechnical, Inc. early in 2017 to perform an evaluation of the slope failures and make recommendations for the repair of the damaged slopes.

Adherence to Policy: This project adheres to the District’s commitment to maintain the reliability of domestic water supply and emergency storage and its contracts are in conformance with the District’s purchasing policy. Construction of the Work adheres to the SMWD Design Criteria and Standard Drawings for Water and Sewer Facilities (SMWD Standards).

Committee Status: The Engineering and Operations Committee reviewed this item on January 12, 2018 and it was approved as a Consent Calendar item. Committee Board Members asked for an update on the anticipated receipt of the FEMA/OES funding. Staff members have submitted the required documentation in the proper format for processing. Because of the number of emergency claims resulting from recent events in the state, processing may be slowed. However, the timing of the SMWD claim and completion of work is favorable. It is anticipated that we will receive reimbursement within six months.

DISCUSSION:

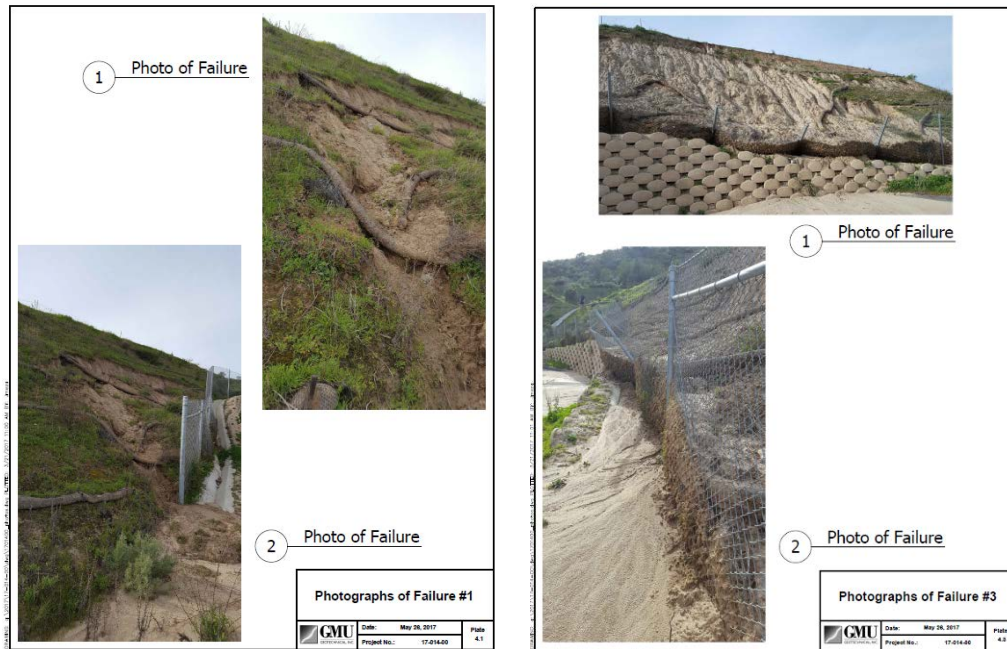
Storm events during early 2017 caused slope erosion damage and small landslides at ten (10) locations within the District’s UCR emergency storage reservoir site. Erosion varied from minor slumping of top soil in a few areas to significant slope failures that damaged security fencing. To evaluate the slope conditions and recommend repair options, the District retained a geotechnical engineering firm, GMU Geotechnical, Inc. (GMU) to visit the site and prepare a summary report.

Plates and photographs taken from GMU’s summary report are provided below for reference. GMU Plate 2.1 shows slope failure locations (Nos. 1, 2 and 3) that occurred above a retaining wall behind the pump station site (see bottom of Plate 2.1 photo).

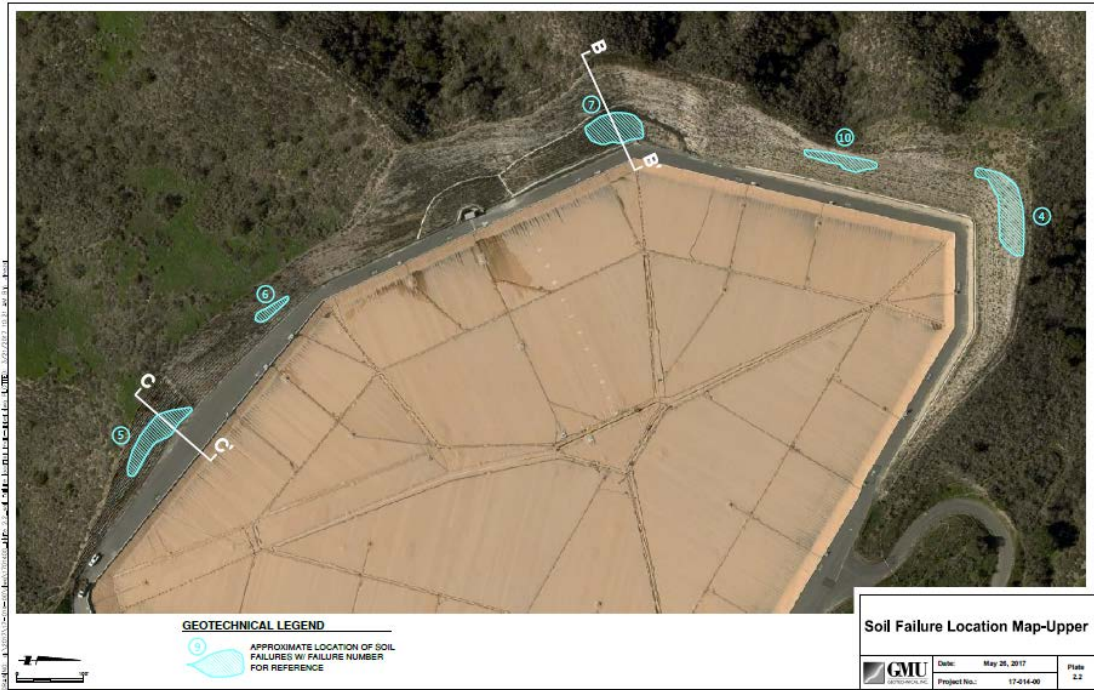


GMU and District staff concluded that top soil slumping at GMU Location Nos. 8 & 9 was minor in nature and repairs would only require hand raking and limited compaction of material. After the minor slope repairs at GMU Locations 8 & 9 were performed, habitat restoration involved only hydro-seeding with a native plant seed mix.

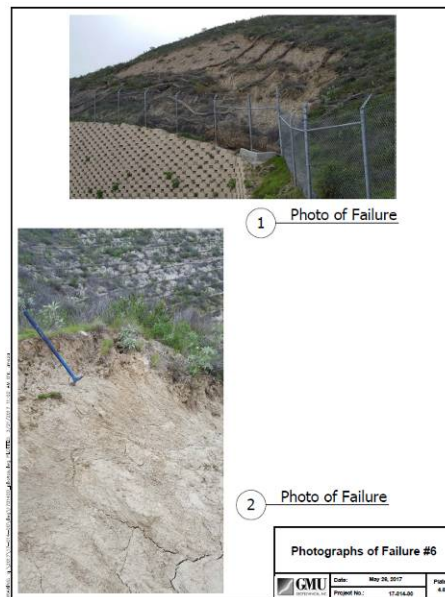
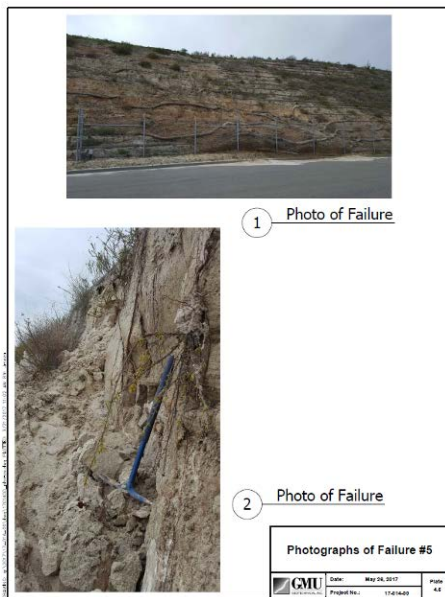
A few representative photographs of damage at GMU Location Nos. 1 and 3 are provided below.



Above the UCR perimeter access road, slopes were graded to an approximate 1.5 horizontal to a 1 vertical ratio. This slope angle or ratio was utilized to limit the site construction impacts to existing native habitat areas on the surrounding hillsides. As indicated in the GMU Plate 2.2 shown in the image below, erosion failures on the slopes above the reservoir occurred at 5 locations (Nos. 4, 5, 6, 7 and 10).



Photographs of two slope erosion areas above the reservoir (Location Nos. 5 & 6) are provided below for reference.



GMU assisted the District in acquiring rough construction cost estimates by escorting three earthwork contractors to the UCR site. The preliminary repair costs offered by the earthwork contractors was provided to FEMA/OES as part of an application for disaster assistance funding. District staff was successful in obtaining funding assistance approval from FEMA/OES.

GMU's summary report and repair recommendations were utilized by District staff as the basis for the construction contract. An additional component to the contract was the restoration of habitat areas that were damaged at each slope failure location.

Construction has transpired smoothly and on schedule. Below are recent photographs illustrating the successful outcome of the project.





Sukut has successfully executed the construction and will maintain its good standing on the District’s list of pre-qualified earthwork contractors.

This project was the first instance wherein GMU has provided construction management services for the purposes of administering the construction contract. GMU has performed successfully in this regard and is considered a valid additional resource to the District for this purpose on future projects of this type. Typically, GMU is limited to providing inspection and testing services. On this project it provided inspection, testing, and primary construction management.

Sukut Construction LLC, Contact Summary

Description	Cost	% Increase
Original Contract Amount	\$491,592.30	
Change Order No. 1	(\$50,000 <u>40,725.00</u>)	
Revised Contract Amount	\$ 441,592 <u>450,867.30</u>	-10.178 <u>.28%</u>

GMU Geotechnical Inc., Contact Summary

Description	Cost	% Increase
Original Contract Amount	\$58,200.00	
Amendment No. 1	(\$7,025.00)	
Revised Contract Amount	\$51,175.00	-12.07%

FUNDING:

The total cost of the project was ~~\$530,336.42~~540,075.17 which includes the construction contract of ~~\$441,592.30~~450,867.30 and design/administrative costs. \$513,386.38 will be paid for by the Federal Emergency Management Agency (FEMA)/California Office of Emergency Services (OES), resulting in a balance of cost of ~~\$16,950.04~~26,688.79. UCR is a jointly owned facility (JOF) and participants pay a prorated share of the costs of repair and maintenance based on their respective ownership. The District's UCR ownership share is 38.48% which equates to ~~\$6,522.37~~10,269.84. Based on the joint operating facility agreement the other UCR participants will pay the remaining costs. Until FEMA/OES reimbursement occurs, all funding for the slope repair project is proposed to come from the Fiscal Year 2017-18 Operations Repair and Maintenance budget.

Project Cost Distribution Summary including FEMA/OES funding

Description Project Code	Contract Funding Amount
Proposed Sukut Contract Price H10C69	\$450,867.30 \$441,592.30
GMU Slope Repair Eval / Report Fee	\$12,315.00
GMU Constr. Management Services Fee	\$51,175.00
Sub-Total	\$514,357.30 \$505,082.30
	-
SMWD Administration, approx: 5%	\$25,717.87 \$25,254.12
Total Project Cost	\$540,075.17 \$530,336.42
Less: FEMA Reimbursement	(\$513,386.38)
Project Cost to be Funded by UCR JOF Participants -	\$26,688.79 \$16,950.04
Cost Allocation per Participant(H10C69)	-
SMWD 38.48%	\$10,269.84 \$6,522.37
MNWD 36.89%	\$9,845.49 \$6,252.87
City of San Clemente 11.17%	\$2,981.14 \$1,893.32
SCWD 6.79%	\$1,812.17 \$1,150.91
City of San Juan Capistrano 6.67%	\$1,780.14 \$1,130.57
FEMA/OES @ 93.75% Constr. Costs	-
Total 100.00%	\$26,688.79 \$16,950.04