

TO: BOARD OF DIRECTORS
 FROM: DON SPAGNOLO
 GENERAL MANAGER
 DATE: NOVEMBER 9, 2010

**AGENDA ITEM
 E-4**

**SUPPLEMENT
 NOVEMBER 10, 2010**

WILLOW ROAD WATERLINE EXTENSION PROJECT PHASE 2

ITEM

Consider Willow Road Waterline Extension Project Phase 2 additive bid item, construction management services contract amendment with Cannon, transfer of funds and disbursement of funds to San Luis Obispo County for construction of the project [RECOMMEND APPROVAL].

BACKGROUND

The County received and opened four (4) bids for the project on November 8, 2010. The three lowest bids are:

NAME OF BIDDER	BASE BID FOR ROADWAY	ADDITIVE BID ITEM 1 ROADWAY	ADDITIVE BID FOR WATERLINE
GRANITE	\$14,294,714	\$1,792,925	\$214,910
CALPORTLAND	\$16,191,257	\$1,858,121	\$185,762
JOHN MADONNA	\$16,663,139	\$2,277,288	\$170,735
ENGINEER'S ESTIMATE	\$16,241,334	\$2,050,260	\$414,651

In accordance with the reimbursement agreement, the District is required to notify the County to determine if the County should accept the additive bid item for the waterline work for *any of the three lowest bidders*. The purpose of including the three lowest bidders is to require the District to decide on the acceptability of the additive bid price of each of the other bidders in the event the County decides to award the contract to another bidder. This allows needed flexibility for the County to define the responsible bidder with the lowest responsive bid on the base bid.

The agreement also requires that the District deposit a total of 120% of the estimated project costs for the waterline construction costs with the County. The District paid the initial 30% deposit based on an engineer's estimate of \$414,651 and now needs to pay the additional 90% deposit based on the estimated construction cost of \$214,910 (highest additive of the three lowest base bids) based on the actual bids.

FISCAL IMPACT

The total additional deposit due to the County is as follows:

Estimated Project Cost	\$214,910
20% County Contingency	\$ 42,982
Total Estimated Project Cost	\$257,892
30% Deposit Paid to County	(\$124,396)
Net Additional Deposit to County	\$133,496

AGENDA ITEM E-4 SUPPLEMENT
NOVEMBER 10, 2010

The FY 10-11 Budget includes \$300,000 in the Water Capacity Fund (Fund #700) for the design and partial construction of the Willow Road Waterline Extension Project Phase 2. To date, the District has paid the County a \$124,396 deposit for the project and incurred design costs in the amount of \$12,500. Given the County's current timing for the project, additional funding in the amount of \$80,000 for construction and construction management in the FY 10-11 Budget is required for this project if the District proceeds with construction of the waterline. Staff anticipates that sufficient funding is available in the Willow Road Waterline Phase 1 Project budget to provide the required funding for the completion of construction for both Phase 1 and Phase 2 in FY 10-11.

RECOMMENDATION

Staff recommends that the Board:

1. Accept the additive bid item for the waterline work for *any of the three lowest bidders*.
2. Authorize the General Manager to execute an amendment in the amount of \$62,050 to the existing Cannon Willow Road Phase 2 Waterline Design Agreement.
3. Authorize transfer of \$80,000 in the FY 10-11 Budget from the Willow Road Phase 1 Project to the Willow Road Phase 2 Project.
4. Authorizing remaining deposit of \$133,496 to San Luis Obispo County for construction of the Willow Road Phase 2 Waterline Extension.
5. Adopt Resolution 2010-XXXX Remaining Deposit to San Luis Obispo County for Construction of Willow Road Waterline Extension Phase 2 – Revised.

ATTACHMENTS

- Resolution 2010-XXXX Remaining Deposit to San Luis Obispo County for Construction of Willow Road Waterline Extension Phase 2 - Revised

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2010-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE NIPOMO COMMUNITY SERVICES DISTRICT
AUTHORIZING REMAINING DEPOSIT TO SAN LUIS OBISPO COUNTY FOR
CONSTRUCTION OF WILLOW ROAD PHASE 2 WATERLINE EXTENSION**

WHEREAS, the County of San Luis Obispo is preparing to construct Phase 2 of the Willow Road Extension Project in Nipomo; and

WHEREAS, the District desires to have certain District waterlines and appurtenances incorporated into the County's project; and

WHEREAS, the District agrees to reimburse the County for all reasonable costs incurred by the County, relating to the District's waterline work in accordance with the Reimbursement Agreement dated September 28, 2010; and

WHEREAS, the District paid the initial deposit of \$124,396 to the County on or about October 4, 2010 in accordance with the Reimbursement Agreement; and

WHEREAS, Cannon provided design and construction management services for Phase 1 of the Willow Road Waterline Extension Project; and

WHEREAS, Cannon provided design services for Phase 2 of the Willow Road Waterline Extension Project; and

WHEREAS, based upon facts and analysis presented by the Staff Report, Staff Presentation and public comment received, the Board of Directors finds:

- A. Cannon is qualified to provide construction management services to the District for the project; and
- B. The cost of the services is reasonable; and
- C. Cannon is uniquely knowledgeable and qualified because similar/related services have been previously provided to the District for Phase 1 of the Willow Road Waterline Extension Project.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT AS FOLLOWS:

The District Board of Directors does hereby:

1. Accept the additive bid item for the waterline work for *any of the three lowest bidders* for the Willow Road Waterline Extension Project Phase 2.
2. Authorize the General Manager to execute an amendment in the amount of \$62,050 to the existing Cannon Willow Road Phase 2 Waterline Design Agreement.
3. Authorize transfer of \$80,000 in the FY 10-11 Budget from the Willow Road Phase 1 Project to the Willow Road Phase 2 Project.
4. Authorizing remaining deposit of \$133,496 to San Luis Obispo County for construction of the Willow Road Phase 2 Waterline Extension.

Upon motion of Director _____, seconded by Director _____, and on the following roll call vote, to wit:

AYES:
NOES:
ABSENT:
ABSTAINING:

the foregoing Resolution is hereby adopted this 10th day of November, 2010.

James Harrison, President
Nipomo Community Services District

ATTEST:

APPROVED AS TO FORM:

Don Spagnolo
General Manager and
Secretary to the Board

Jon S. Seitz
General Counsel

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