



Agenda Date: 9/6/2017
Agenda Placement: 71

Napa Sanitation District Board Agenda Letter

TO: Honorable Board of Directors

FROM: Timothy Healy - General Manager
NS-Technical Services/Engineer

REPORT BY: Andrew Damron, Technical Services Director - 707-258-6000

SUBJECT: Authorize Increase of Change Order Signing Authority of the General Manager for the MST Recycled Water Expansion Project (CIP 16722)

RECOMMENDATION

Authorize an increase of change order signing authority for the General Manager from \$228,581.50 (10% of original contract) to a maximum of \$457,163 (20% of original contract) for the MST Recycled Water Expansion Project (CIP 16722) for a potential total approved contract amount of \$2,742,978.

EXECUTIVE SUMMARY

A portion of the MST Recycled Water Expansion Project (CIP 16722) is within County of Napa public right-of-way. The contract documents require the contractor, prior to construction, to apply for and obtain an encroachment permit from the County of Napa. As a condition of the encroachment permit, the County of Napa required the contractor to install a 1-inch overlay of the road after completion of the pipeline construction work. The 1-inch overlay was not included in the original contract documents or bid total.

The construction contract was awarded to the contractor by the NapaSan Board on April 5, 2017 in the amount of \$2,285,815. After the encroachment permit was issued, NapaSan staff, the County of Napa, and the contractor tentatively agreed to a potential change order for the 1-inch overlay in the amount of \$269,235. Per NapaSan procurement rules, the General Manager can approve contract change orders up to 10% of the original contract amount. The additional paving cost exceeds the authorized change order amount of \$228,581.50 (10% of original contract).

Staff is requesting that the Board authorize the General Manager to approve up to a maximum of \$457,163 (20% of original contract) in change orders for the pipeline project. This amount would cover the proposed paving change order and other potential change orders including the addition of services and meters for recently added MST customers.

Per the reimbursement agreement between NapaSan and the County for the MST Project, all project costs (including change orders) are reimbursable to NapaSan. The total project amount in the reimbursement agreement includes costs for design, construction, construction management, environmental services, labor compliance, NapaSan staff time, and an allowance for construction change orders.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	NapaSan will be reimbursed by Napa County for all projects costs. There are sufficient funds in the County's project budget to cover the requested authorization amount.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	The current potential contract change orders will exceed the General Manager's current approval authority. The General Manager cannot approve change orders above the signing authority without Board authorization.
Is the general fund affected?	Yes
Future fiscal impact:	None.
Consequences if not approved:	The General Manager would be unable to approve change orders in excess of 10% of the original contract amount that may be required for the construction of the project.
Additional Information:	

ENVIRONMENTAL IMPACT

None.

BACKGROUND AND DISCUSSION

The project is extending NapaSan's MST recycled water pipeline on Coombsville Road from 2nd Avenue to Tulocay Cemetery. The expansion project was originally designed with four service connections including Silverado Middle School, Tulocay Cemetery, and two vineyard parcels. Since the construction contract was awarded four additional parcels have agreed to annexation into the MST Community Facilities District (CFD) and will be eligible to use recycled water from the Coombsville pipeline.

SUPPORTING DOCUMENTS

None

Napa Sanitation District: Approve

Reviewed By: Timothy Healy